2020 UNIVERSAL REGISTRATION DOCUMENT

INCLUDES THE FULL-YEAR FINANCIAL REPORT

BOUYGUES

Making progress become reality

CONTENTS

Elements from the following documents are clearly identified in the contents by pictograms:

- Full-year Financial Report FY FR
- Statement on Extra-Financial Performance SEFP

BOUYGUES

2020 UNIVERSAL REGISTRATION DOCUMENT

INCLUDES THE FULL-YEAR FINANCIAL REPORT

The Universal Registration Document
can be read and downloaded
at bouygues.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This document is a free translation of the Universal Registration Document filed on 17 March 2021 with the Autorité des Marchés Financiers (AMF) in its capacity as competent authority within the meaning of Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said Regulation.

The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where relevant, a summary and all amendments made to the Universal Registration Document. The resulting set of documents is subject to approval by the AMF pursuant to Regulation (EU) 2017/1129.

IN 2020, WE DEMONSTRATED JUST HOW AGILE, RESILIENT AND RESPONSIBLE WE ARE AS A GROUP. IN 2021, WE WILL INVEST TO STRENGTHEN ITS BUSINESS SEGMENTS AND ACCELERATE THEIR GROWTH.

Martin Bouygues
CHAIRMAN OF THE BOARD OF DIRECTORS

HOW DO YOU VIEW THE HEALTH CRISIS WE HAVE BEEN LIVING THROUGH FOR THE PAST YEAR?

The terrible human and economic toll of the Covid-19 pandemic has focused minds on the fact that globalisation is just as much a risk as it is an opportunity. Although vaccines are expected to offer a route out of the crisis in the coming months, building back without addressing the fundamental problems that make modern society vulnerable to such events would be a reckless act. Tackling these root causes is especially important if we want to restore trust and foster hope for a better world.

HOW WOULD YOU SUM UP 2020 FOR THE BOUYGUES GROUP?

Last year, we demonstrated just how agile, resilient and responsible we are as a group. We wasted no time in shifting to new ways of working and rolling out stringent health and safety measures to keep everyone safe – our employees, customers, partners and subcontractors alike. And in France, our construction sites gradually reopened from mid-April, even before the end of the first national lockdown.

Business picked up quickly again in the second half of the year, which meant we were able to limit the impact of the crisis on Group sales and earnings. Our resilience can be attributed to our dedicated workforce, our robust financial structure, and to the fact that our business segments all meet people's vital needs, and the health crisis is not going to change that.

DO THE CHANGES TO THE GROUP'S GOVERNANCE MARK THE START OF A NEW CHAPTER?

The Bouygues group will soon celebrate its 70th birthday. It has been forged by a strong and distinctive culture and has only had two Chairmen and CEOs since its foundation. To meet the challenges we face, whether economic, climate-related, social or digital, we wanted to ensure that Bouygues has the most effective governance. The arrival of a new generation of senior executives, acknowledged for their professional skills, trained within the Group and perfectly familiar with its culture, is entirely consistent with the tradition at Bouygues which, since its foundation, has always chosen its leaders from within the Group in order to secure its future.

BOUYGUES HAS SET AMBITIOUS TARGETS FOR REDUCING ITS CO_2 EMISSIONS. WHAT IS THE THINKING BEHIND THIS PLEDGE?

We cannot vaccinate against the climate crisis, the effects of which are becoming more obvious as each year passes. Through our sustainable development strategy, which dates back 15 years, we have honed our expertise and moved into new lines of business that are more consistent with the environmental challenges facing the planet. We firmly believe that the transition to a low-carbon economy presents an unprecedented opportunity for all our business segments. Bouygues is at its best in times of great challenge. This pledge will both motivate and inspire the creativity of our people.

WHAT WILL 2021 HOLD?

Although we hope the world will gradually emerge from the shadow of the pandemic in 2021, its effects will continue to be felt throughout the year.

Relying on a particularly strong financial position, the Group will invest to strengthen its business segments and accelerate their growth. For instance, Bouygues Telecom will roll out its "Ambition 2026" strategic plan and TF1 will grow Newen's activity. The prospects for our construction businesses are also bright, both in France and internationally – especially in low-carbon construction.

We will also step up our efforts to protect health and well-being in the workplace, encourage gender balance, roll out our Climate strategy and safeguard biodiversity.

Date of interview:
17 February 2021

Headcount
129,000

Worldwide presence
81 COUNTRIES

Sales
€34,694m

Net profit attributable to the Group
€696m

Indicators at 31 December 2020

INTEGRATED REPORT
The Group's Integrated Report is available on bouygues.com from 18 February 2021.

THE BOUYGUES GROUP

Simplified organisation chart

At 31 December 2020

BOUYGUES

ALSTOM
(since 2006)
8%[a]
(14.3% of the voting rights)[b]

3 SECTORS OF ACTIVITY

CONSTRUCTION BUSINESSES
115,055
Employees
€26.2bn
Sales

MEDIA
3,697
Employees
€2.1bn
Sales

TELECOMS
9,550
Employees
€6.4bn
Sales

5 BUSINESS SEGMENTS

Bouygues Construction
(1952)
100%

Bouygues Immobilier
(1956)
100%

Colas
(since 1986)
96.8%[c]
(98% of the voting rights)

TF1 Le Groupe
(since 1987)
43.7%[d]

Bouygues Telecom
(1994)
90.5%[e]

(a) The proportion of share capital held by Bouygues SA at 31 December 2020. At 12 March 2021, it was 3.12% (3.12% of the voting rights).
(b) The rest of the share capital and voting rights is held by institutional investors, individual shareholders and employees.
(c) The rest of the share capital is held by institutional investors, individual shareholders and employees.
(d) The rest of the share capital is held by institutional investors, individual shareholders and employees. No double voting rights.
(e) The rest of the share capital is held by JCDecaux Holding.

OUR MACROTRENDS

- Population growth, urbanisation and transport
- The climate emergency and extinction of biodiversity
- Digital and technological transformation
- Changing customer behaviour

THE FUNDAMENTALS OF OUR CULTURE

- Respect
- Trust
- Creativity
- Imparting expertise

OUR PLEDGES

- Promote each employee's career development
- Develop sustainable solutions with and for our customers
- Simplify everyday life
- Help build harmonious communities

KEY DATES

1952

Francis Bouygues founds Entreprise Francis Bouygues (EFB), a building firm.

1956 Diversification into property development by creating Stim, which later becomes Bouygues Immobilier **1986** Bouygues becomes the world's largest construction firm after the acquisition of Screg, the parent company of Colas, the leading roadworks contractor at the time **1987** Bouygues acquires a stake in the television channel TF1. It then becomes its largest shareholder **1989** Martin Bouygues becomes Chairman and CEO of the Bouygues group, taking over from his father Francis Bouygues **1994** Bouygues is awarded a licence to operate France's third mobile phone network. Bouygues Telecom is founded in 1996 **2006** Bouygues acquires the French government's stake in Alstom **2016** TF1 acquires Newen, France's leading TV production and distribution company **2018** Bouygues Construction and Colas expand the international footprint of their activities via acquisitions in Germany, Canada and Switzerland. TF1 boosts its presence in digital activities **2019** Bouygues sells 13% of Alstom's share capital **2020** Bouygues Telecom becomes France's third biggest mobile operator following the acquisition of EIT. Bouygues continues to reduce its equity stake in Alstom. The Group unveils ambitious targets for reducing its greenhouse gas emissions by 2030

THE GROUP 1

1.1 PROFILE AND STRATEGY

1.1.1 Making progress become reality

Group core objectives and vision

At Bouygues, we firmly believe that meeting essential day-to-day needs with an ethical and responsible attitude helps drive improvement for society as a whole. That is why our core objective is **to make life better every day for as many people as possible.**

Our strategy[a]

The Bouygues group creates and shares value over the long term with its stakeholders. In order to accomplish this core objective, it draws on a stable ownership structure (see opposite) and a strategic framework through which its five business segments[b] roll out their own operational strategies.

- Our business segments drive growth over the long term because they meet essential needs for housing, transportation, communication, information and entertainment.
- The diversity of our business segments helps cushion the impact of the less positive business cycles. In 2020, the Group proved how resilient it is during the health crisis.

By combining these two features, we are able to **generate free cash flow over the long term.** The value created can then be reinvested for our growth and shared with our stakeholders[c].

We also strive to maintain **a robust financial structure** in order to ensure our independence and preserve our model over time. For example, our construction businesses tie up a small amount of capital and generate a high level of cash.

Climate strategy

Since 2005, we have focused our Climate strategy primarily on the development of innovative low-carbon solutions for our customers. The Group is regularly rated A or A- in the CDP Climate Change List and is also ranked on the main sustainable development indices.

At the end of 2020, we crossed a new milestone in our Climate strategy. Each of our business segments defined targets to reduce their greenhouse gas emissions by 2030 that are compatible with the Paris Agreement, as well as a plan of action to achieve this (see also Chapter 2 Business activities and Chapter 3 SEFP in this document). These ambitious targets relate to scopes 1, 2 and 3a (and to 3b for Bouygues Immobilier and Bouygues Telecom).

This strategy aims to:

- respond to the climate emergency by contributing to the target of global carbon neutrality (2015 Paris Agreement);
- respond to the growing expectations of our stakeholders (our customers, Group employees, the financial community, our suppliers and subcontractors, civil society);
- transform climate-related constraints into business opportunities for the Group and create differentiating factors; and
- boost our positioning as a socially responsible company.

Our pledges and the Group's solutions are described in our 2020 Integrated Report available on bouygues.com from 18 February 2021.

THE BOUYGUES GROUP'S STRENGTHS

- **Dedicated employees**
- **High value-added products and services**

In sustainable development and complex infrastructure projects, each Group business segment stands out from the competition by offering high-added-value full-service solutions.

- **Spans the entire value chain**

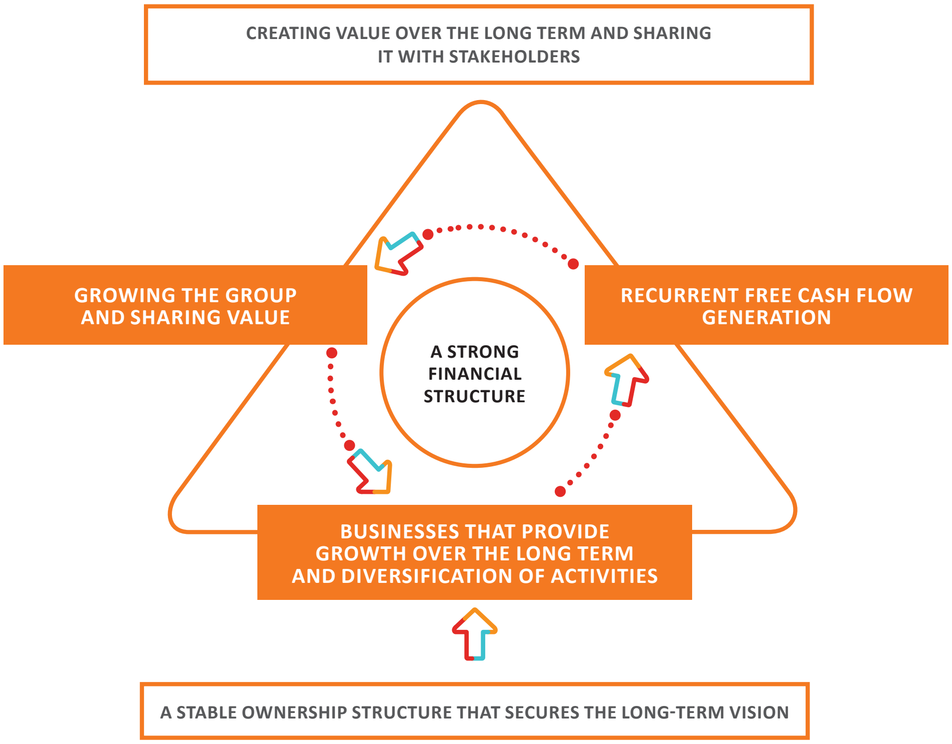
The Group's business segments employ their standards of operational excellence and efficiency to span the entire value chain in order to maintain direct contact with their customers.

- **A selective long-term presence worldwide**

In addition to its strong presence in France, Bouygues has pursued a long-term and selective expansion into international markets.

(a) The Group's business model is described on pages 8-9 of this document.
(b) Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom.
(c) Customers, Group employees, the financial community, suppliers, civil society. See also page 9 of this document.

The virtuous circle of the Group's strategy



Two core shareholders

Bouygues' ownership structure is based on two long-standing core shareholders:

- SCDM, a company controlled by Martin and Olivier Bouygues; and
- its employees, through a number of dedicated mutual funds.

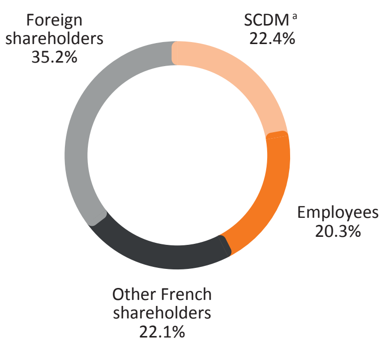
At 31 December 2020, 52,000 employees owned shares in the Group, making Bouygues the CAC 40 company with the highest level of employee share ownership. For half a century, the Group has been offering innovative and long-term mechanisms for employee share ownership.

Ownership structure

at 31 December 2020

MAIN SHAREHOLDERS

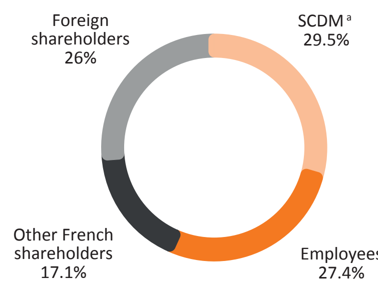
380,759,842 shares



(a) A company controlled by Martin and Olivier Bouygues.

VOTING RIGHTS

514,767,427 voting rights



FIND OUT MORE
Chapter 2 Business activities
Chapter 3 Statement on extra-financial performance (SEFP)
Chapter 6 Information on the company
2020 Integrated Report (available on bouygues.com)

OUR BUSINESS MODEL SEFP

The Bouygues group's business model is based on a sustainable use of natural resources and the decarbonisation of its three sectors of activity. Its resilience ensures a long-term future for the Group whilst creating value for its stakeholders.

OUR RESOURCES

at 31 December 2020

HUMAN CAPITAL

- 129,000 employees
- Diversity and depth of expertise across the Group's five business segments
- Corporate universities providing staff training

ECONOMIC AND FINANCIAL CAPITAL

- A stable ownership structure
- A strong financial structure
- Recurrent free cash flow generation (€0.8 billion per year[a])

NATURAL CAPITAL

- A Climate strategy to reduce the Group's carbon footprint
- Circular economy initiatives, which are sources of environmental and economic benefits
- Biodiversity protection policies
- 94% of Bouygues Construction's sales are covered by Iso 14001[b]

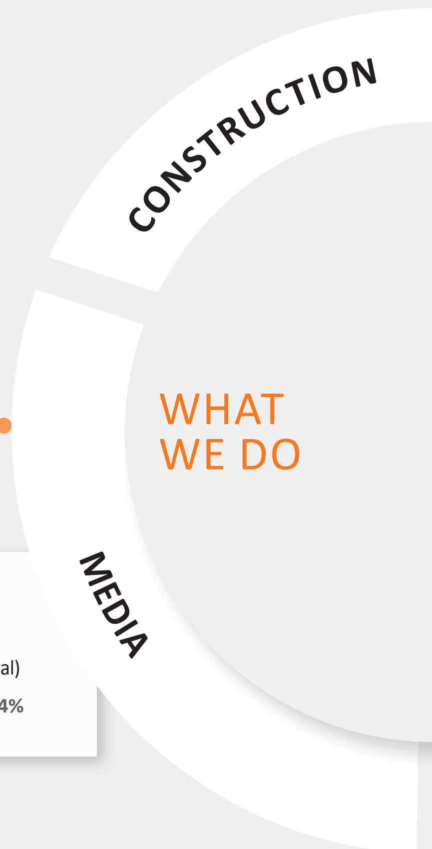
PRODUCTIVE CAPITAL

- **Group:**
  - €1.6 billion in net capital expenditure[c]
- **Construction businesses:**
  - A global footprint: over 40,000 Bouygues Construction worksites, plus Colas' network of 800 profit centres and 3,000 materials production units (quarries, asphalt mixing and ready-mix concrete plants, a bitumen production plant)
  - 2.7 billion tonnes of authorised aggregate reserves[d] for Colas
  - Colas' Campus for Science and Techniques: the leading private road construction research centre in the world (100 engineering design offices and 50 laboratories in France and worldwide)
- **Media:**
  - TF1: 7 production studios
- **Telecoms:**
  - 21,000 mobile sites and a diverse portfolio of frequencies

OUR MACROTRENDS

Population growth, urbanisation and transport

The climate emergency and extinction of biodiversity



6% of sales

France's leading TV media group, spanning the entire value chain (production, broadcasting and digital)

> Share of target audience[e]: 32.4%

OUR PLEDGES

1 Promote each employee's career development

2 Develop sustainable solutions with and for our customers

(a) Average over 2016-2020.
(b) Environmental Management System.
(c) Excluding the cost of 5G frequencies for €608 million, which includes spectrum clearing costs of €6 million.
(d) Colas share; also Colas' share of an additional 1.3 billion tonnes of potential reserves.
(e) Médiamétrie – Target audience: women under 50 who are purchasing decision-makers.

Digital and technological transformation

Changing customer behaviour

BUSINESSES

75% of sales

A developer, builder and operator of integrated solutions for the construction of complex buildings and infrastructure

> The fifth-largest construction group in the world[a]

Make life better every day for as many people as possible

TELECOMS

19% of sales

A leading provider of mobile and fixed connectivity solutions in France, serving the BtoB and BtoC markets

> Bouygues Telecom is ranked second in France for the quality of its mobile network[b]

3 Simplify everyday life

4 Help build harmonious communities

HOW WE CREATE VALUE

at 31 December 2020

OUR CUSTOMERS

- €34.7 billion in sales
- €33.1 billion of backlog for the construction businesses
- 74 of the top 100 audience ratings scored by TF1
- 25 million[c] customers for Bouygues Telecom

OUR PEOPLE

- €6,256 million in payroll expenses
- 52,000 employee shareholders
- 21.1% of executive body positions occupied by women[d]
- 100% of employees outside France covered by BYCare[e]
- 80,165 employees trained
- 84% turnout in workplace elections in France
- Top Employer certification[f] awarded to all Group business segments

THE FINANCIAL COMMUNITY

- €687 million in dividends paid out
- 5.1% dividend yield
- €1.83 in net profit per share

OUR SUPPLIERS AND SUBCONTRACTORS

- €22,924 million in procurement spend with suppliers and subcontractors
- 42.5% of business-segment spend subject to CSR assessments[g]

CIVIL SOCIETY

- €2,808 million paid in taxes and levies
- €152 million distributed to communities
- Over 20 academic partnerships in France and abroad
- 989 grant-holders supported by the Francis Bouygues Foundation since its creation in 2005

(a) Based on international sales excluding country of origin (ENR Top 250 International Contractors, August 2020).
(b) Arcep (French telecoms regulator) survey of the quality of mobile services, 2020.
(c) Includes 2.1 million customers from EIT.
(d) Executive Committees or equivalent of senior management teams in the Group's five business segments and in Bouygues SA.
(e) A programme guaranteeing a core of employee benefits across all Group companies outside France, based on best practice in every country where Bouygues does business.
(f) A Top Employers Institute certification programme that supports organisations in reviewing and improving their working environment.
(g) Concerns targetable expenditure.

1.1.2 Organisation and governance

The Bouygues Board of Directors at its meeting of 17 February 2021 decided, on a proposal from Martin Bouygues and after consulting the Selection and Remuneration Committee, to change the Group's governance and make a number of senior executive appointments. As a result, the functions of Chairman and Chief Executive Officer have now been separated. Martin Bouygues is now Chairman of the Bouygues group and Olivier Roussat has been appointed Chief Executive Officer. Two new Deputy Chief Executive Officers, Edward Bouygues and Pascal Grangé, have also been appointed to assist him in his duties.

1.1.2.1 The Board of Directors at 17 February 2021

DIRECTORS FROM THE SCDM GROUP[a]

MARTIN BOUYGUES
Chairman of the Board[b]

OLIVIER BOUYGUES
Director

CYRIL BOUYGUES
Standing representative of SCDM Participations

EDWARD BOUYGUES
Standing representative of SCDM

INDEPENDENT DIRECTORS[c]

CLARA GAYMARD
Co-founder of Raise

ANNE-MARIE IDRAC
Company director

COLETTE LEWINER
Advisor to the Chairman of Capgemini

BENOÎT MAES
Director

BOARD COMMITTEES

The Board of Directors refers to the recommendations of the Afep-Medef Corporate Governance Code. It draws on the work of three special committees comprised solely of independent directors and directors representing employees or employee shareholders.

Audit Committee
- Benoît Maes (Chairman) ■ (Independent director)
- Clara Gaymard ■ (Independent director)
- Anne-Marie Idrac ■ (Independent director)
- Michèle Vilain ■ (Director representing employee shareholders)

Selection and Remuneration Committee
- Colette Lewiner (Chairwoman) ■ (Independent director)
- Bernard Allain ■ (Director representing employees)
- Benoît Maes ■ (Independent director)

Ethics, CSR and Patronage Committee
- Anne-Marie Idrac (Chairwoman) ■ (Independent director)
- Rose-Marie Van Lerberghe ■ (Independent director)
- Raphaëlle Deflesselle ■ (Director representing employee shareholders)

■ Independent director ■ Director representing employee shareholders ■ Director representing employees

(a) SCDM is a company controlled by Martin and Olivier Bouygues.
(b) Before 17 February 2021, Martin Bouygues held the position of Chairman and Chief Executive Officer. From 17 February 2021, Martin Bouygues holds the sole position of Chairman of the Board.
(c) Directors qualified as independent by the Board of Directors.

DIRECTORS REPRESENTING EMPLOYEES/EMPLOYEE SHAREHOLDERS

BERNARD ALLAIN
Director representing employees

BÉATRICE BESOMBES
Director representing employees

RAPHAËLLE DEFLESSELLE
Director representing
employee shareholders

MICHÈLE VILAIN
Director representing
employee shareholders

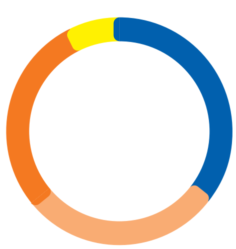
ROSE-MARIE VAN LERBERGHE
Vice-Chairwoman
of Klépierre

NON-INDEPENDENT EXTERNAL DIRECTOR

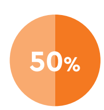
ALEXANDRE DE ROTHSCHILD
Executive Chairman
of Rothschild & Co Gestion

KEY FIGURES FOR THE BOARD

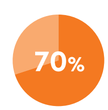
at 31 December 2020



INDEPENDENT DIRECTORS [b]



WOMEN DIRECTORS [c]



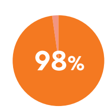
WOMEN ON COMMITTEES

58

AVERAGE AGE

13

NUMBER OF BOARD MEETINGS



ATTENDANCE RATE AT BOARD MEETINGS

(a) SCDM is a company controlled by Martin and Olivier Bouygues.
(b) Excluding directors representing employees and representing employee shareholders.
(c) Excluding directors representing employees.

1.1.2.2 Group Managemement Committee at 17 February 2021 [a]

Bouygues SA

The parent company has a significant presence on the boards of each of the Group's five business segments, enabling it to help define their strategy and play an active part in making their important decisions.

OLIVIER ROUSSAT
Chief Executive Officer

EDWARD BOUYGUES
Deputy CEO,
Telecoms development,
CSR and Innovation

PASCAL GRANGÉ
Deputy CEO
Chief Financial Officer

JEAN-MANUEL SOUSSAN
Senior Vice-President
Group Human Resources

Senior management of the business segments:

Each business-segment head attends all Bouygues group Board meetings.

PHILIPPE BONNAVE [b]
Chairman and CEO
of Bouygues Construction

PASCAL MINAULT [c]
Chairman
of Bouygues Immobilier

FRÉDÉRIC GARDÈS
Chairman and CEO
of Colas

GILLES PÉLISSON
Chairman and CEO
of TF1

RICHARD VIEL
Chairman and CEO
of Bouygues Telecom

(a) At 31 December 2020, the Group Management Committee was comprised of Martin Bouygues, Chairman and CEO, Olivier Roussat, Deputy CEO, Pascal Grangé, Senior Vice-President and Chief Financial Officer and Jean-Manuel Soussan, Senior Vice-President and Director of Human Resources.
(b) In August 2021, Pascal Minault will succeed Philippe Bonnave, following the latter's decision to retire, as Chairman and CEO of Bouygues Construction.
(c) On 19 February 2021, Bernard Mounier succeeded Pascal Minault as Chairman of Bouygues Immobilier.

FIND OUT MORE
Chapter 5
Corporate governance

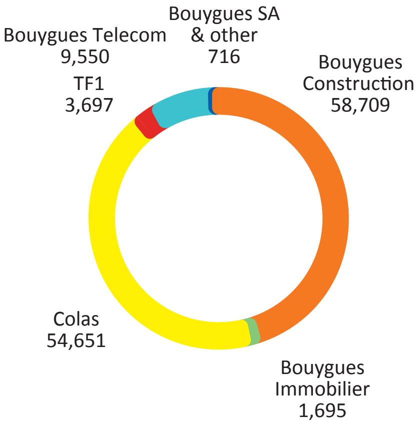
1.1.3 The Group's workforce

Bouygues is a diversified group that draws on a wide diversity of professions and skills. It relies on men and women who share the four fundamentals of its culture: respect, trust, creativity and imparting expertise.

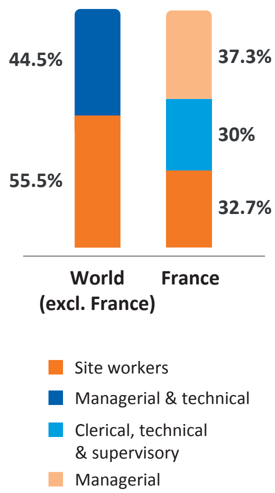
These fundamentals of its culture, which are described in the Bouygues group's Integrated Report, are elaborated on in its Code of Ethics and Human Resources Charter. The "Statement on extra-financial performance" in Chapter 3 of this document describes the Group's Corporate Social Responsibility policy and initiatives.

Headcount at 31 December 2020

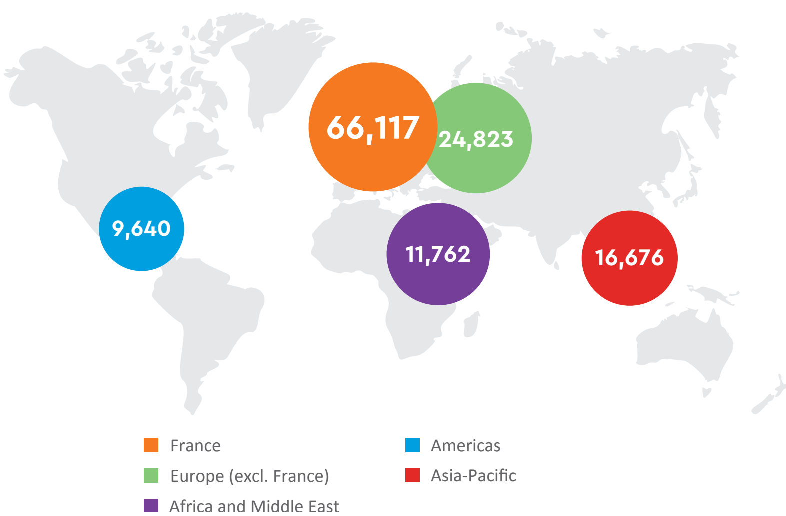
Group headcount by business segment



Job categories



Group headcount by region



BOUYGUES THROUGHOUT THE WORLD

—

Headcount
129,018

—

Recruitment in 2020
40,689

IN FRANCE

—

Headcount
66,117
(51% of Group headcount)

—

Average age
41

—

Average seniority
12

—

Permanent contracts
94%
of employees

—

Recruitment in 2020
8,911

FIND OUT MORE
- Chapter 3 Statement on extra-financial performance (SEFP)
- bouygues.com/Talents

Scan this QR code (app and internet connection required)

1.1.4 A strategy of innovation for the benefit of users

Bouygues' strategy in the field of innovation is focused on delivering services that provide real benefits to users. The aim is to make the daily lives of the Group's customers, partners and employees simpler. It is also to improve the Group's productivity and boost stakeholder satisfaction by creating sustainable solutions.

Diverse activities that confer unique strength

The diversity of the Group's business segments unlocks synergies when working on common themes that aim to address a variety of future services. This unique structure is an advantage that bolsters the Group's competitive position. A hallmark of this structure is the cross-entity coordination of experts from each of the business segments when working on themes that require this. This results in the faster development of new technologies such as artificial intelligence and of complex products and services such as those related to smart cities.

Four promising technologies

The Bouygues group has pinpointed four technologies that it believes will shape its businesses:

- **Artificial intelligence (AI)** can provide effective decision-support to many of the Group's business segments. For instance, by analysing physical data from a site, as well as regulations and environmental factors, AI can optimise the building potential of land and facilitate interaction between the stakeholders in a property development project (developers, architects, consultancy firms and local authorities).
- **The Internet of Things,** combined with **Big Data**, can harvest and analyse data on an enormous scale for the predictive identification of high-risk areas on road networks through the analysis of vehicle behaviour.
- With **virtual and augmented reality,** it is possible to interact in real time with digital elements that have been added to a live view. For example, brands can insert advertising into a television show without interrupting it. With BIM (Building Information Modelling), 3D can be used to represent a whole range of data used in the design and construction of a structure and simulate its behaviour.
- Finally, **blockchain**[a]**,** by making flows more secure, will facilitate the creation of new services by simplifying transaction processes. For instance, it is currently being used to ensure more secure, transparent and faster signing of complex contracts.

A rich ecosystem of partners

To boost its innovation potential, Bouygues can call on its vast global ecosystem, spanning over 80 countries and bringing together internal and external partners.

- Two technology intelligence offices: Winnovation in San Francisco and Bouygues Asia in Tokyo
- Partnerships with the best universities worldwide such as MIT[b] in the United States.
- Active dialogue with over 1,300 start-ups.
- Investments in promising start-ups through five institutional funds run by the Group[c].
- Participation in forward-looking, innovative initiatives such as "Futura Mobility", which brings together companies operating along the mobility value chain, and "Impact AI", a think-and-action tank that investigates the ethical and societal issues posed by artificial intelligence and sponsors innovative, difference-making projects.

This structure is fertile ground for generating fresh ideas and developing new types of business.

(a) A data transmission and storage technology. It is a decentralised system that offers high levels of transparency and security. Users connected to a network can share data without the need for a central counterparty.
(b) Massachusetts Institute of Technology in Cambridge.
(c) Construction Venture at Bouygues Construction, Colas Innovation Board (CIB), Bouygues Immobilier Research and Development (BIRD), One Innovation at TF1 and Bouygues Telecom Initiatives.

Six sources of innovation for the Group

RESEARCH AND DEVELOPMENT
GOALS > to improve and develop new products

EMPLOYEE-LED INNOVATION
GOALS > to share best practices and contribute to continuous improvement

PARTNERSHIPS
GOALS > to co-develop new products and services and to enhance existing products and services through a broad range of partnerships

SIX SOURCES OF INNOVATION

MINORITY INTERESTS IN START-UPS
GOALS > to identify new technologies and new business models early on, enhance existing products and services and draw inspiration from agile working methods

ACQUISITION OF COMPANIES
GOALS > to develop and expand the business segments' activities with new technologies and innovative business models

INTRAPRENEURSHIP
GOALS > to develop new ground-breaking activities as well as complementary products and services

DECARBONISED AND CONNECTED URBAN ENVIRONMENTS

The Bouygues group's five business segments are innovating to make urban environments smarter, more vibrant, collaborative and eco-friendly, in order to make life better.

Plant-based binders to combat urban heat islands

Temperatures in urban environments are often higher in their surrounding areas or in the countryside. This phenomenon, called the "urban heat island" effect, is partly caused by dark-coloured ground surfaces such as bitumen that absorb the sun's rays and heat up the air. To reduce this impact, Colas is developing plant-based binders drawing on the principles of green chemistry. These can be used to produce aesthetically-pleasing light-coloured ground surfaces and thus reduce the temperature in our towns and cities.

Green hydrogen to store renewable energies

Bouygues Energies & Services has teamed up with its partner PowiDian to address one of the challenges posed by renewable energies - how to store them. The solutions they are developing enable this energy to be stored in the form of green hydrogen produced by electrolysis. When required, the energy can then be supplied from a fuel cell. Such an innovation can ensure a stream of reliable and clean energy.

Positive-energy mixed-use developments via blockchain technology

In the Sollys project, in the Lyon Confluence neighbourhood, 12 buildings have been designed to be self-sufficient in energy. The energy they produce using photovoltaic solar panels, a cogeneration heating plant and from geothermal sources is distributed in real time between users in the different buildings. The system is backed by blockchain technology.

1.2 BOUYGUES AND ITS SHAREHOLDERS

Listed on the Paris stock exchange since 1970, Bouygues is one of the market's flagship stocks, as demonstrated by its almost uninterrupted inclusion in the CAC 40 index.

1.2.1 Shareholder contacts

Shareholders and investors

Karine Adam Gruson

Investor Relations Director

- Tel.: +33 (0)1 44 20 10 79
- E-mail: investors@bouygues.com

Registered share service

Gaëlle Pinçon

- Tel.: +33 (0)1 44 20 10 61
- Toll free: 0 805 120 007 (from fixed lines in France)
- E-mail: servicetitres.actionnaires@bouygues.com

1.2.2 Registered share service

Bouygues offers a free, unintermediated account-keeping service to pure registered shareholders.

Registered shareholders are also guaranteed to receive regular information from Bouygues and are automatically sent notices of shareholders' meetings.

All holders of registered shares enjoy double voting rights once their shares have been held in this form for more than two years. Shareholders wishing to hold their shares as registered shares should contact their financial intermediary.

In 2017, Olis-Actionnaires, a web site dedicated to shareholders that allows them to manage their accounts on-line and log on to VotAccess, was launched. Shareholders can use this service to vote on-line for annual general meetings and to consult convening notice documentation in digital format.

Bearer shareholders can also vote using VotAccess if the financial intermediary managing their share account has joined the VotAccess platform.

1.2.3 Investor Relations

Key figures for 2020

- The Investor Relations department maintained dialogue with the Group's shareholders and investors throughout the Covid-19 pandemic. From mid-March all events were held on-line using platforms such as Teams, Zoom and OpenExchange.
- Four results presentations: Bouygues senior management presented annual results at an in-person event in Paris in February 2020. First-half results were however presented, exceptionally, via a webcast. First-quarter and third-quarter results were presented by conference calls.
- 570 investors met with management or the Investor Relations team.
- 14 roadshows in seven different countries.
- The Group attended 12 conferences on sector-specific and more broad-based themes.
- One teach-in on Bouygues Telecom's infrastructure projects.
- A governance roadshow, launched this year.
- A Climate Markets day dedicated to the Climate strategy of the Group's five business segments, which used this event to unveil their greenhouse gas emissions reduction targets for 2030 - all compatible with the Paris Agreement (limiting global warming to 1.5°C).
- 17 brokers in France and around the world cover the Bouygues share.

1.2.4 bouygues.com

bouygues.com is an essential tool for communicating with shareholders, analysts and investors. The very comprehensive information available includes:

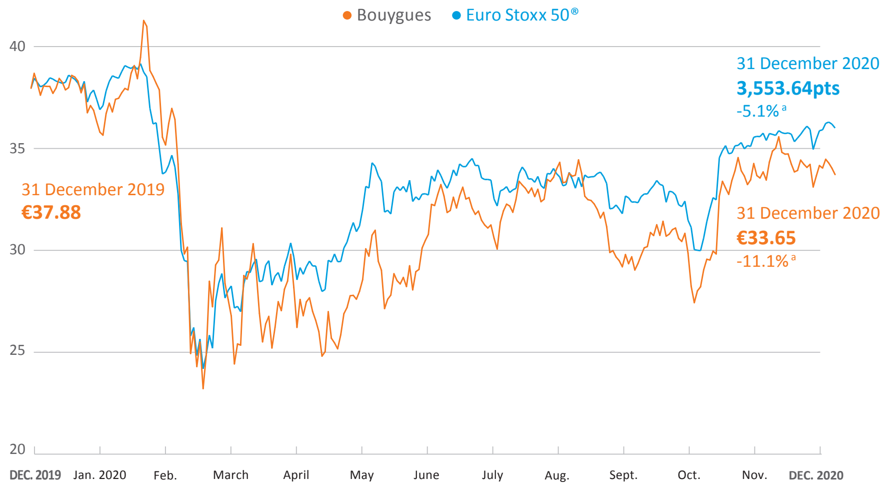
- published financial documents: press releases, full financial statements, results presentations, archive recordings of past presentations, etc.;
- regulated information, including all the registration documents since 2006 and the Universal Registration Document since 2019;
- Bouygues 'At a Glance' from 2002 to 2020;
- the Group's Integrated Report since 2018;
- a downloadable historical data file showing key figures for the Bouygues group over the past 15 years;
- the analysts' consensus compiled by Bouygues;
- a special section for shareholders: documents relating to the Annual General Meeting, FAQ, etc.;
- detailed information about the Bouygues group's activities, key performance indicators, senior management, etc.; and
- an interactive intraday Bouygues share price tracker.

1.2.5 The Bouygues share

Share performance since the end of 2019

SHARE PRICE AFTER MARKET CLOSE

(€)

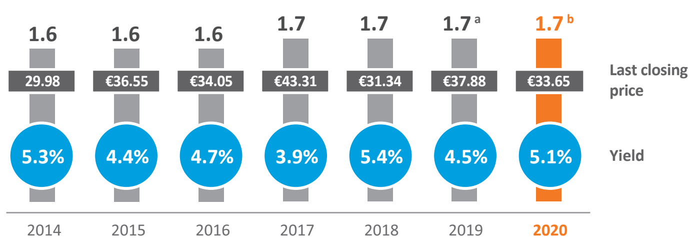


(a) Versus 31 December 2019.

Dividend and dividend yield

DIVIDEND PER SHARE

(€)



(a) Approved by the Annual General Meeting of 4 September 2020.
(b) To be proposed to the Annual General Meeting of 22 April 2021. Payment of dividend on 6 May 2021.

Yield:

- Divided per share relative to the closing price of the previous year.

THE BOUYGUES SHARE

FACTSHEET

LISTING
Euronext Paris (compartment A)

ISIN CODE
FR0000120503

IDENTIFICATION CODES
Bloomberg: EN:FP
Reuters: BOUY.PA

PAR VALUE
€1

AVERAGE SHARE PRICE IN 2020
€31.75
(average closing price – Source: NYSE Euronext)

AVERAGE DAILY TRADING VOLUME ON EURONEXT
1.3 million shares
(Source: NYSE Euronext)

MARKET CAPITALISATION
€12.8 billion
(at 31 December 2020)

STOCK MARKET INDICES
CAC 40, FTSE Eurofirst 300, Dow Jones Stoxx 600, Euronext 100

SRI INDICES
Euronext Vigeo Eurozone 120 and Europe 120, FTSE4Good, CDP's Climate Change List [a], MSCI Europe ESG Leaders

SECTOR CLASSIFICATION
MSCI/S&P indices:
Construction and Engineering
FTSE and Dow Jones indices:
Construction & Materials

OTHER
Eligible for deferred settlement service (SRD) and French equity savings plans (PEAs)

(a) Score of A- since 20 February 2020.

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2021 KEY DATES

THURSDAY 22 APRIL	THURSDAY 6 MAY	THURSDAY 20 MAY	THURSDAY 26 AUGUST	THURSDAY 18 NOVEMBER
Bouygues Annual General Meeting at Challenger (Saint-Quentin-en-Yvelines)	Dividend payment	First-quarter 2021 results	First-half 2021 results	Nine-month 2021 results

1.3 2020 FINANCIAL YEAR

1.3.1 Key figures

The 2020 consolidated financial statements are presented with comparatives based on the 2019 financial statements as restated for the effects of applying the IFRS IC final decision on lease terms. The impacts on the 2019 balance sheet affect the right of use of leased assets and lease obligations, and are described in detail in Note 2 to the consolidated financial statements (Chapter 7).

Financial highlights

In millions of euros unless otherwise indicated	2020	2019	Change
Sales	34,694	37,929	-9% [a]
EBITDA after Leases	3,233	3,548	-€315m
Current operating profit	1,222	1,676	-€454m
Current operating margin	*3.5%*	*4.4%*	*-0.9 pts*
Operating profit [b]	1,124	1,696	-€572 m
Net profit attributable to the Group	696	1,184	-€488m
Earnings per share (€) [c]	1.83	3.18	-42%
Net cash flow	2,709	3,332	-€623m
Net capital expenditure [d]	1,612	1,602	+€10m
Free cash flow [e]	725	1,038	-€313m
Free cash flow [e] after WCR	1,202	815	+€387m
Net surplus cash/(net debt) (end of period)	(1,981)	(2,222)	+€241m
Gearing ratio (net debt/shareholders' equity)	17%	19%	-2 pts
Net dividend per share (€)	1.70 [f]	1.70	stable

(a) Down 8% like-for-like and at constant exchange rates.
(b) Includes net non-current charges of €98m in 2020, comprising: (i) non-current expense of €17m at Bouygues Immobilier related to restructuring costs, €69m at Colas related mainly to the reorganisation of the Roads business in France and the ongoing dismantling of the Dunkirk site, and €75 million at TF1 for impairment losses taken against the goodwill and brands of the Unify division; and (ii) non-current income of €36m at Bouygues Construction, related mainly to compensation received from Alpiq net of fees incurred, and €28m at Bouygues Telecom related mainly to capital gains on disposals of mobile sites. Includes net non-current income of €20m in 2019: (i) non-current expense of €28m at Colas related to the ongoing dismantling of the Dunkirk site and adaptation costs at structures and €23m at Bouygues Construction relating to restructuring costs; and (ii) non-current income of €70m at Bouygues Telecom, including €63m of capital gains on disposals of mobile sites.
(c) Net profit attributable to the Group from continuing operations per share (in euros).
(d) Excludes €608m for 5G frequencies (of which €6m of spectrum clearance costs).
(e) Excludes 5G frequencies, and excludes Alstom dividends of €341m in 2019.
(f) To be proposed to the Annual General Meeting on 22 April 2021, for payment on 6 May 2021.

The estimated impact of the Covid-19 pandemic in the first half of 2020 was as follows:

€ million	Sales	Current operating profit
Construction businesses	**-2,460**	**-530**
o/w Bouygues Construction	-1,250	-290
o/w Bouygues Immobilier	-400	-50
o/w Colas	-810	-190
Media		
TF1	**-250**	**-100**
Telecoms		
Bouygues Telecom	**-70**	**-20**

The estimated impact by business segment shown above is based on 2019 first-half reported figures or 2020 budget figures.

As business levels returned to normal, it was no longer possible from the third quarter 2020 to clearly isolate the impact of the Covid-19 pandemic on the Group's performance.

Sales

€34.7bn (-9%)

Sales for the **Bouygues group** were €34.7 billion in 2020, a decrease of just 9% versus 2019, or 8% like-for-like and at constant exchange rates. Sales were down only 3% in the second half of 2020 versus the comparable period of 2019, after a 15% year-on-year fall in the first half due to the impact of the first lockdown in France and a slowdown in activity in a number of countries caused by the global pandemic. This performance reflects the concerted efforts made by the five business segments to organize a rapid restart and make up the shortfall in activity, in compliance with government-imposed health regulations.

At €26.2 billion, sales from the **construction businesses** were 11% lower than in 2019 (down 11% like-for-like and at constant exchange rates). The decline in sales was more pronounced in France (down 15%) than in international markets (down 8%) due to the strict lockdown imposed in France in the spring of 2020.

TF1 posted sales of €2.1 billion, down 11% versus 2019 (down 11% like-for-like and at constant exchange rates), affected by a sharp reduction in advertising revenue as ad campaigns were cancelled or postponed in the first half of 2020).

Sales at **Bouygues Telecom** reached €6.4 billion, up 6% versus 2019 (up 6% like-for-like and at constant exchange rates), driven by 6.4% growth in sales from services despite the impact of the drop in roaming usage from March 2020. This reflects growth in both the mobile and fixed customer base, and a rise in ABPU.

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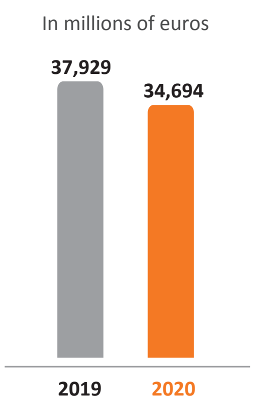
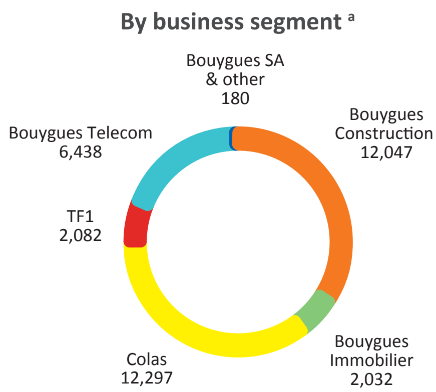
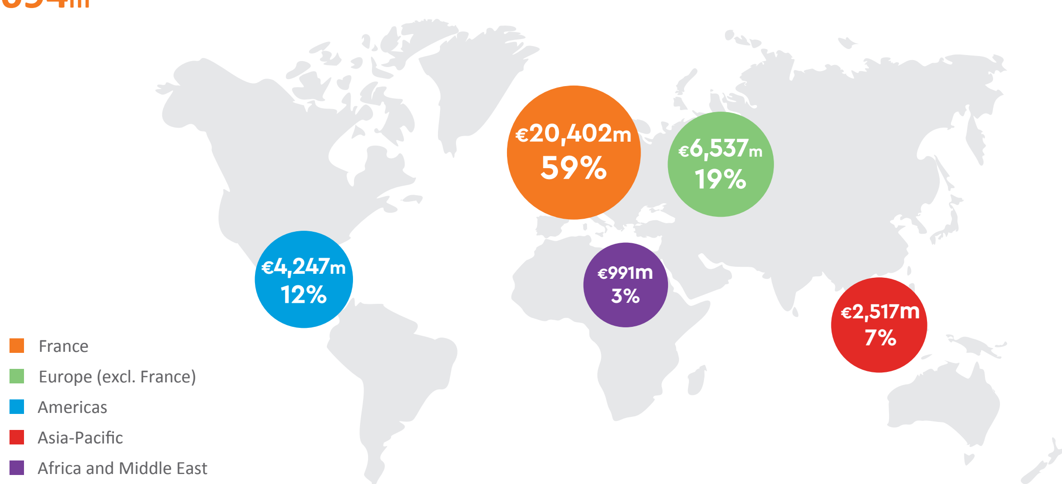




(a) Impact of intragroup eliminations: -€382m

Group sales by region

€34,694m



Current operating profit

€1,222m (-27%)

The results for 2020 demonstrated the Group's resilience in the face of the Covid-19 crisis. After taking a significant hit in the first half of 2020, they saw a return to significant and better-than-expected profitability in the second half.

The Group posted a current operating profit of €1,222 million in 2020, down €454 million on 2019, and full-year current operating margin was 3.5%.

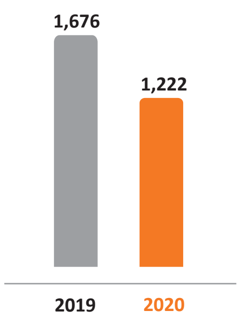
Group profitability improved substantially in the second half of 2020 as a result of the rapid rebound in activity and the adaptation measures taken by the five business segments. At €1,354 million, 2020 second-half current operating profit was up €131 million (+11%) on the second half of 2019. Current operating margin for the second half was 6.8%, rising by 0.8 of a point in the period and ahead of the target set by the Group.

The **construction businesses** reported a healthy current operating profit of €437 million, though this was €473 million lower than in 2019. Current operating margin for the construction business was 1.7% in 2020, versus 3.1% in 2019. In the second half of 2020 it reached 5.7%, a year-on-year improvement of 0.5 of a point. This reflected a catch-up in activity (mainly in France during the third quarter), cost savings, and compensation payments received following the shutdown of worksites in the first half of 2020.

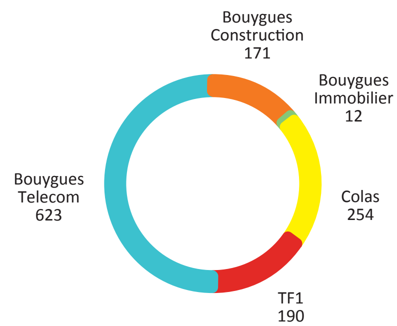
TF1 posted a current operating profit of €190 million, down 65 million year-on-year. This reflects TF1's agility in adjusting the cost of programmes on its five free-to-air channels to absorb the erosion of advertising revenue in its broadcasting business (€152 million of programme cost savings were achieved in 2020).

EBITDA after Leases at **Bouygues Telecom** amounted to €1,502 million in 2020, up €91 million on 2019. EBITDA after Leases margin (calculated on sales from services) was stable year-on-year at 30.7%. Current operating profit at Bouygues Telecom was €623 million, a rise of €83 million.

In millions of euros



By business segment[a]



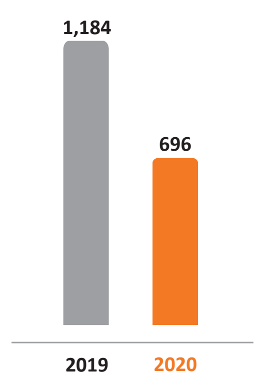
(a) "Bouygues SA & other" reported a current operating loss of €28m.

Net profit attributable to the Group

€696m (-41%)

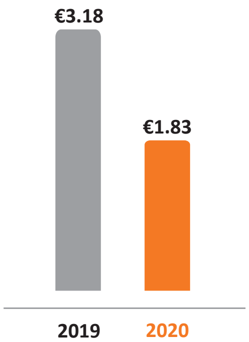
Net profit attributable to the Group was €696 million in 2020, versus €1,184 million in 2019, a decrease of €488 million. This decline reflects reduced activity levels caused by the pandemic and the fall in the contribution from Alstom to €169 million (versus €238 million in 2019). This contribution includes a capital gain of €87 million related to the divestment of some of our Alstom shares (representing a 4.8% equity interest) and a net dilution profit of €31 million resulting from the first rights issue carried out by Alstom in November 2020 in connection with its business combination with Bombardier Transportation.

In millions of euros



Earnings per share

€1.83 (-42%)



Dividend per share

€1.70

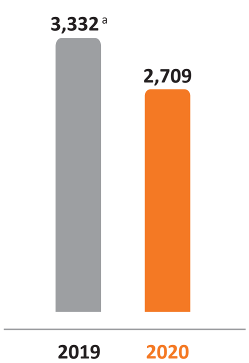
The Bouygues group's Board of Directors will ask the Annual General Meeting of 22 April 2021 to approve a dividend of €1.70 per share. That represents a dividend yield of 5.1% (dividend per share for 2020 as a percentage of the last quoted price in 2020).

Net cash flow

€2,709m (-19%)

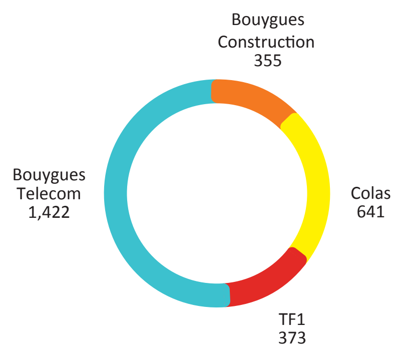
Net cash flow for the Bouygues group was €623 million down on 2019. Excluding the Alstom dividend of €341 million received in 2019, net cash flow was down €282 million. This decline mainly reflects sharply lower sales and earnings throughout the year at the business segments as a result of the pandemic.

In millions of euros



(a) Includes Alstom dividend of €341m.

By business segment [a]



(a) "Bouygues SA & other" reported a net cash outflow of €78m and Bouygues Immobilier reported a net cash outflow of €4m.

Net capital expenditure excluding 5G frequencies

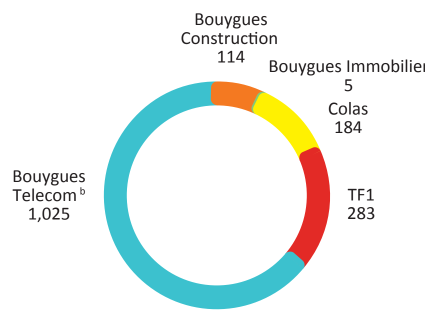
€1,612m (stable)

Net capital expenditure excluding 5G frequencies was €1,612 million, stable relative to the 2019 figure of €1,602 million. This reflects the Group's decision to maintain the momentum of its capital spend in 2020 so as to accelerate growth in the years ahead.

Investment in 5G frequencies in 2020 was €608 million, which includes €6 million of spectrum clearance costs.

In millions of euros

By business segment [a]



(a) Net capital expenditure for Bouygues SA and other subsidiaries was €1m.
(b) Excludes €608m for 5G frequencies (of which €6m of spectrum clearance costs).

Free cash flow after WCR [a]

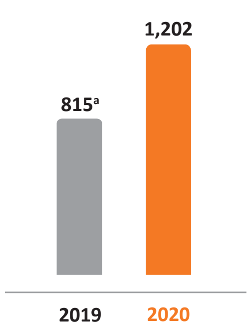
€1,202m (+47%)

The Group posted free cash flow after WCR [a] of €1,202 million, well ahead of 2019 (€815 million, excluding Alstom dividends of €341 million).

At €725 million, free cash flow generated by the Group remained robust (versus €1,038 million in 2019, excluding Alstom dividends of €341 million) despite the impact of the pandemic on sales and earnings, and the Group's decision to maintain the momentum of its capital spend in 2020 so as to accelerate growth in the years ahead.

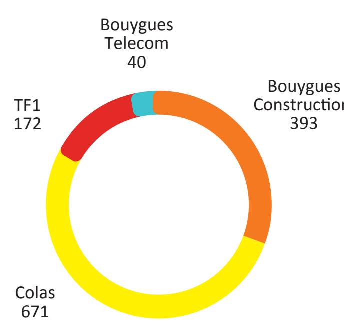
Working capital requirements related to operating activities showed a sharp improvement in the period, largely as a result of efforts by the business segments to speed up collection of trade receivables and reduce inventory levels

In millions of euros



(a) Excluding Alstom dividend of €341m.

By business segment [b]

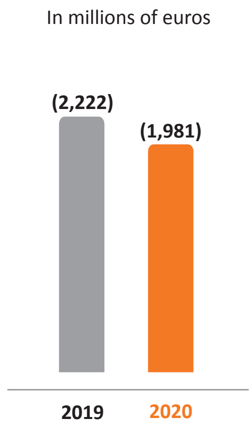


(b) Free cash flow after WCR at "Bouygues SA & other" was a net outflow of €50m and a net outflow of €24m at Bouygues Immobilier.

(a) See Glossary in this document for definition of free cash flow after WCR.

Net surplus cash/(Net debt)

€(1,981)m (+€241m)



As of 31 December 2020, the Group's net debt stood at €1,981 million, versus €2,222 million at the end of 2019.

The year-on-year change includes the following effects:

- the high level of free cash flow after WCR;
- the divestment of an equity interest of approximately 4.8% in Alstom (cash inflow of €450 million), net of costs;
- acquisitions, net of divestments (mainly the acquisitions of EIT by Bouygues Telecom and of Granite Contracting by Colas (net cash outflow of €747 million);
- transactions involving share capital and other items (net cash inflow of €37 million);
- dividends paid by Bouygues SA and by consolidated companies to non-controlling interests (cash outflow of €687 million); and
- the initial payment for the 5G frequencies (cash outflow of €87 million).

The latest credit ratings attributed to Bouygues are A3, stable outlook from Moody's (5 January 2021), and A-, negative outlook from Standard & Poor's (8 December 2020).

The Group has excellent liquidity (€12 billion at 31 December 2020, comprising €4 billion of cash and cash equivalents and €8 billion of undrawn credit facilities (of which €7.6 billion is free of any covenants), and a very well-spread maturity profile.

Outlook

In some countries where the Group operates, a deteriorating health situation caused by the Covid-19 pandemic has led governments to impose more or less stringent protective measures, adjusted regularly as the pandemic evolves. The guidance below assumes that there will be no further deterioration due to the health crisis.

Relying on a particularly strong financial position, the Group, in 2021, will invest to strengthen its business segments and accelerate their growth over the next few years.

- In **2021, the Group's sales and earnings** should be **well above** those of **2020,** although without reaching those of 2019.
- In **2022, Group current operating profit** should return **to the same level of 2019** or be slightly higher.

1.4 MAIN EVENTS SINCE 1 JANUARY 2021

1.4.1 Bouygues group

On 4 February 2021, **Bouygues SA** announced a public repurchase offer followed by a squeeze-out on the shares of Bouygues Construction at a price of €3,950 per share. The public repurchase offer opened on 5 February 2021 and closed on 24 February 2021. The squeeze-out procedure is expected to take place in March 2021.

On 18 February, **Bouygues** announced that the Board of Directors at its meeting of 17 February 2021 had decided, on a proposal from Martin Bouygues and after consulting the Selection and Remuneration Committee, to change the Group's governance and make a number of senior executive appointments. As a result, the functions of Chairman and Chief Executive Officer have now been separated. Martin Bouygues is now Chairman of the Bouygues group and Olivier Roussat has been appointed Chief Executive Officer. He will be assisted in his duties by Edward Bouygues and Pascal Grangé, who are both Deputy CEOs.

On 10 March 2021, **Bouygues** announced the successful sale of 12,000,000 Alstom shares representing 3.23% of Alstom's share capital, at a price of €41.65 per share (equating to a total amount of €499.8 million) through an accelerated book building reserved for qualified investors. Following this transaction, whose settlement-delivery took place on 12 March, Bouygues retains an equity stake of 3.12% in Alstom.

1.4.2 Construction businesses

On 12 January 2021, **Bouygues Construction** teamed up with Barletta Heavy Division to build the Pawtucket tunnel in Rhode Island (US). About 75 km south of Boston, the Pawtucket tunnel project is the first part of Phase 3 of the programme for modernising water management in the bay. The contract sum is €394 million (Bouygues Construction's share: €256 million).

On 13 January 2021, **Colas** and Parsons Inc. were chosen by the City of Edmonton, in Alberta, Canada, to design, build and finance the western extension of the Light Rail Transit (LDT) system's Valley Line. The contract sum, to be shared equally between the two partners, comes to CAD1.7 billion or around €1 billion. Work is expected to get under way in the summer of 2021, with handover scheduled for the end of 2026.

On 9 February 2021, **Bouygues Construction** was recognised for its good HR practices. It received the "Top Employer France" label from Top Employers Institute, an independent and international organisation, for the fifth year running, and the "Top Employer Europe" label for the third year, with certification for its entities in the UK, Switzerland, Poland and the Czech Republic as well.

On 23 February 2021, **Colas** won two contracts as part of the construction project for the new T3 and T4 lines of the Casablanca tram system in Morocco. The first contract, worth €24 million, involves the design, construction and commissioning of 25km of overhead contact line, as well as the provision of power supply systems, with the installation of 21 electrical substations. The second contract involves the laying of 14km of track and 11 switches and crossings on section 3, located in the city centre of Casablanca, for both future tram lines.

1.4.3 Media

On 10 February 2021, Jumbodiset started exclusive talks with **TF1** with a view to acquiring TF1 Games and Dujardin, which are France's leading makers of toys and games. For **TF1,** the sale of TF1 Games forms part of the growth strategy of TF1 Entertainment, which is focused on its content and leading brands.

1.4.4 Telecoms

Following approval from the Competition authority on 22 December 2020, **Bouygues Telecom** announced on 4 January 2021 that it had concluded the acquisition of Euro-Information Telecom (EIT) and had signed a long-term distribution agreement with Crédit Mutuel on 31 December 2020.

On 15 January 2021, **Bouygues Telecom** unveiled its new strategic plan called "Ambition 2026". The aim is to become the number 2 telecoms operator in mobile and a major player in fibre in France.

On 8 February 2021, **Bouygues Telecom** announced the extension of its 5G network to Bordeaux and to all the municipalities in its metropolitan area. The operator covers an additional 800,000 people thanks to this development.

On 10 February 2021, **Bouygues Telecom** and **TF1** announced the signing of an agreement enabling the channels of the TF1 group to offer advertisers the data and technological know-how of Bouygues Telecom in the field of targeted advertising. In practice, TF1 Pub, the TF1 group's multi-media advertising sales unit, will be able to leverage the routers of Bouygues Telecom's customers to sell linear TV targeted advertising services.

1.4.5 Alstom

On 20 January 2021, **Alstom** won a €106 million contract from National Capital Region Transport Corporation Ltd (NCRTC) to design, supply and install the signalling, train control and telecommunication system (Package 24) of the 82.15 km Delhi – Ghaziabad – Meerut Regional Rapid Transit System (RRTS) Corridor.

On 25 January 2021, **Alstom's** innovative hydrogen train project Coradia iLint, commissioned by Landesnahverkehrsgesellschaft Niedersachsen (LNVG), was honoured with this year's European Railway Award. Alongside its project partners, LNVG launched this initiative to test hydrogen as a fuel for regular passenger trains.

On 29 January 2021, **Alstom** announced the completion of the acquisition of Bombardier Transportation. Leveraging on its clear Alstom in Motion strategy and its strong operational fundamentals and financial trajectory, Alstom, integrating Bombardier Transportation, will strengthen its leadership in the growing sustainable mobility market by reaching a critical size in all geographies and integrating further solutions and assets to better serve its customers worldwide.

BUSINESS ACTIVITIES 2

The consolidated financial statements at 31 December 2020 are presented in comparison with the financial statements at 31 December 2019, which have been restated for the effects of applying the IFRS Interpretations Committee final decision on lease terms.

The impacts on the 2019 balance sheet regarding right-of-use assets and lease obligations are shown in Chapter 7, in the consolidated 2020 financial statements (Note 2).

2.1 CONSTRUCTION BUSINESSES

2.1.1 Profile

Bouygues is the fifth[a] biggest construction group in the world, operating in 80 countries and active in building and civil works, energy and services, property development and transport infrastructure. As a developer, builder and operator, it draws on the expertise and dedication of its workforce of 115,055.

Population growth, urbanisation and new environmental imperatives are generating significant needs worldwide in terms of complex buildings and infrastructure (construction and renovation). In line with the advent of digital technologies, consumer expectations and habits are also changing.

In this context, the Group is in a good position to provide full-service solutions as well as innovative and high value-added services. Its positioning and many strengths mean that it continues to be a key partner for its customers.

Growth strategy and opportunities

- **Lead the markets for the construction and renovation of buildings and infrastructure.** Bouygues builds, optimises and maintains a wide range of buildings and infrastructure (transport, decarbonised energy production, telecommunications). Furthermore, to cope with ageing infrastructure and keep pace with increasing demand for energy efficiency, the Group develops expertise in renovating assets, even whilst they remain in operation.

  From the 1970s, Bouygues started to expand its construction businesses outside France in targeted countries. They now have a long-term presence through well-established local subsidiaries (Australia, Canada, US, UK, Hong Kong, Switzerland, etc.) or on a one-off basis when working on technically complex projects with local partners. The construction businesses currently generate over half their sales in the 80 countries where they are present.
- **Support our customers to cut their carbon footprint.** The transition to a low-carbon economy is central to the expansion of Bouygues' construction businesses because it offers many growth opportunities. They offer a complete range of distinctive and high value-added products and services to help their customers respond to the climate emergency. They have solutions for:
  - the production, storage and distribution of decarbonised energy (solar, nuclear, wind, etc.);
  - the energy efficiency of buildings, neighbourhoods and entire towns and cities (positive-energy buildings, "zero-carbon" neighbourhoods, etc.), whether for new build or renovation projects;
  - the development of low-carbon mobility (electric mobility, rail infrastructure etc.); and
  - the extension of the life of and the intensification of the use of buildings and infrastructure (shared living spaces and offices, reversible buildings, infrastructure maintenance etc.).
- **Lead the market for urban design and development.** In consultation with customers, residents and local partners, the construction businesses develop projects that promote well-being, harmonious living and environmental protection. The Group offers a range of customised and innovative solutions catering for the individual housing unit to an entire town or city (adaptable housing, connected buildings, eco-neighbourhoods, the smart city, smart mobility, modular construction etc.).
- **Transform our construction methods.** Bouygues' construction businesses are decarbonising their business models in order to achieve their carbon dioxide emissions reduction targets. They are completely transforming their processes along the entire value chain. They are rolling out responsible purchasing policies and circular economy strategies in order to secure their supplies whilst protecting the environment at the same time. They are also ramping up the use of new bio-based[b] materials such as timber and low-carbon concrete. Training programmes have been introduced widely to increase employee buy-in for this process and to help them keep pace with changes in their professions.

The Bouygues group's **operational priorities in its construction businesses** are the following:

- boost the energies and services activities;
- continue Colas' development: expand its international network via external growth (Germany, North America, Northern Europe, etc.) and optimize its industrial activities (quarries and bitumen); and
- turn sales and profitability around at Bouygues Immobilier.

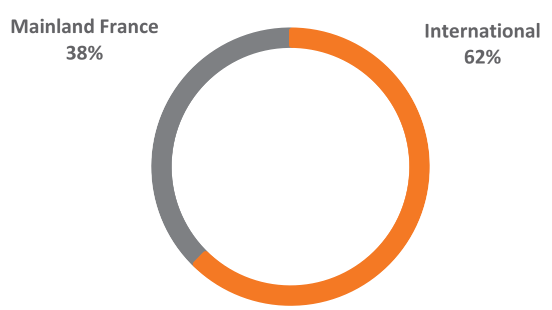
(a) Based on international sales excluding country of origin (ENR Top 250 International Contractors survey, August 2020).
(b) Completely or partially made from biological products (non-fossil).

KEY FIGURES

at 31 December 2020

Headcount	Sales	Current operating profit	Current operating margin	Backlog
115,055	€26.2bn (-11%)	€437m (-52%)	1.7% (-1.4 points)	€33.1bn (stable)

Backlog
(Bouygues Construction and Colas)
At end-December 2020



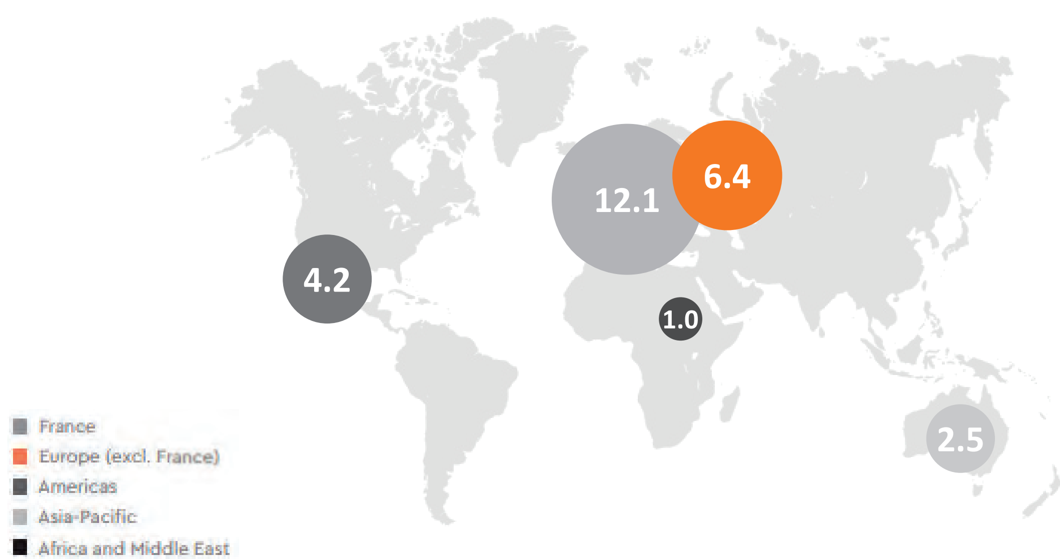
The net cash of the construction businesses
At end-December 2020, € billion

2

Construction businesses

Geographical sales split
At end-December 2020 – € billion

€26.2bn

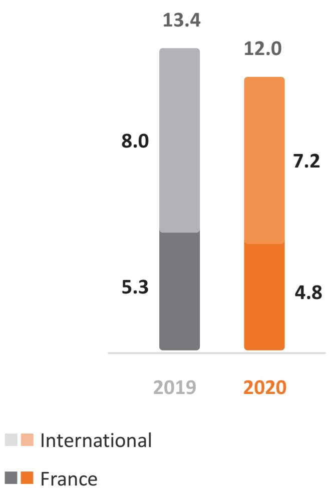


2.1.2 Bouygues Construction, shared innovation

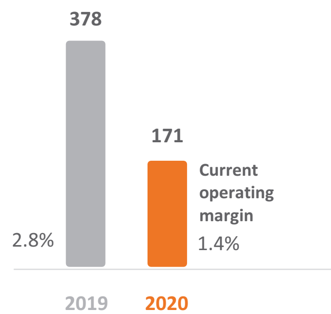
Bouygues Construction is a world leader in construction. With operations in 60 countries, it designs, builds, renovates, operates and deconstructs building, infrastructure and industrial projects.

Key figures

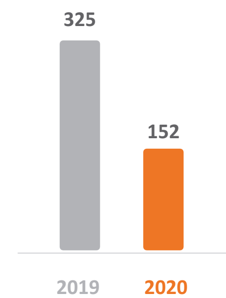
Sales
€ billion



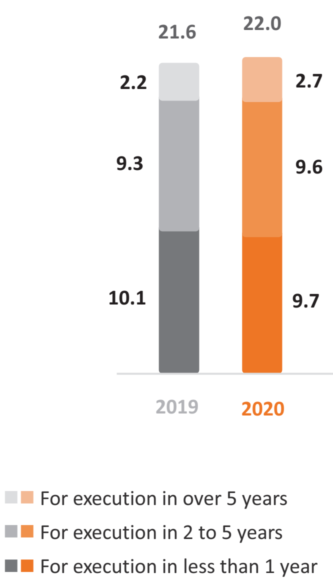
Current operating profit
€ million



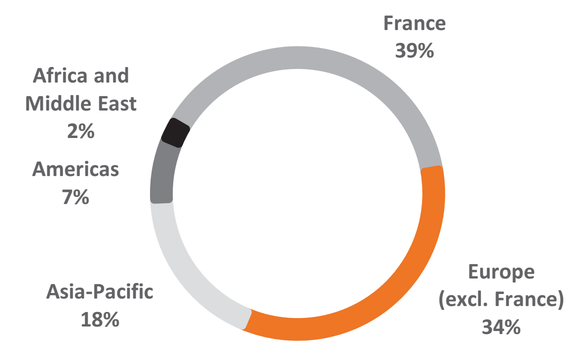
Net profit attributable to the Group
€ million



Backlog
€ billion, end-December



Backlog by region
At end-December 2020



Condensed balance sheet

ASSETS

at 31 December, € million	2020	2019
Property, plant and equipment and intangible assets	675	762
Right of use of leased assets	226	262
Goodwill	1,148	1,157
Non-current financial assets and taxes	394	397
Non-current assets	**2,443**	**2,578**
Current assets	4,533	4,789
Cash and cash equivalents	4,582	4,629
Financial instruments - Hedging of debt		
Current assets	**9,115**	**9,418**
Held-for-sale assets and operations		
TOTAL ASSETS	**11,558**	**11,996**

LIABILITIES AND SHAREHOLDERS' EQUITY

at 31 December, € million	2020	2019
Shareholders' equity attributable to the Group	813	966
Non-controlling interests	6	6
Shareholders' equity	**819**	**972**
Non-current debt	1,065	1,082
Non-current lease obligations	197	216
Non-current provisions	835	857
Other non-current liabilities and taxes	23	18
Non-current liabilities	**2,120**	**2,173**
Current debt	11	9
Current lease obligations	72	97
Current liabilities	8,173	8,320
Overdrafts and short-term bank borrowings	363	425
Financial instruments - Hedging of debt		
Current liabilities	**8,619**	**8,851**
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,558**	**11,996**
NET DEBT (-)/NET SURPLUS CASH (+)	**3,143**	**3,113**

Condensed income statement

€ million	2020	2019
Sales	**12,047**	**13,355**
Net charges for depreciation, amortisation and impairment losses on PP&E and intangibles	(218)	(184)
Net amortisation expense on right of use of leased assets	(95)	(96)
Charges to provisions and other impairment losses, net of reversals due to utilisation	(244)	(271)
Other income and expenses	(11,319)	(12,426)
Current operating profit	**171**	**378**
Other operating income and expenses	36	(23)
Operating profit	**207**	**355**
Cost of net debt/income from net surplus cash	13	20
Interest expense on lease obligations	(10)	(11)
Other financial income and expenses	9	11
Income tax expense	(103)	(128)
Share of net profits/losses of joint-ventures and associates	38	79
NET PROFIT	**154**	**326**
Net profit attributable to non-controlling interests	2	1
NET PROFIT ATTRIBUTABLE TO THE GROUP	**152**	**325**

HIGHLIGHTS

MAJOR CONTRACT GAINS

- Section C1 of the High Speed 2 rail link project (UK)
- Regeneration (phase 3) of Hallsville Quarter in Canning Town, London (UK)
- Fécamp offshore wind farm (France)
- Abomey-Calavi teaching hospital (Benin)
- Watersports centre and the connecting pedestrian and cyclist overpass in Saint-Denis (France)
- Leuna power plant (Germany)
- Grand Ida property complex (Monaco)

PROJECTS UNDER CONSTRUCTION

- Grand Paris rapid transport link, Line 15 - packages T2A and T3A (France)
- Offshore extension project (Monaco)
- Melbourne metro and WestConnex tunnel in Sydney (Australia)
- Hinkley Point EPR power plant (UK)
- Trunk Road T2 and Central Kowloon Route infrastructure projects (Hong Kong)

PROJECTS HANDED OVER

- Tuen Mun-Chek Lap Kok tunnel (Hong Kong)
- NorthConnex tunnel in Sydney (Australia)
- Green City property complex (phase 2) in Zurich (Switzerland)
- Tour Alto office block in the Paris business district of La Défense (France)

GOVERNANCE

- On 1 April 2021 Pascal Minault will join Bouygues Construction in order to prepare to succeed Philippe Bonnave as Chairman and CEO. Mr Bonnave will remain in this position until August 2021

2.1.2.1 Profile

Bouygues Construction is acknowledged as a benchmark player in sustainable construction through the construction of many eco-neighbourhoods, low-carbon (timber-frame) buildings and structures certified against the best world eco-standards, as well as through the rehabilitation of sites in order to reach positive-energy status[a]. It also develops circular economy business models, from the design phase of projects to the recycling of their waste.

Bouygues Construction is increasingly involved in high value-added large-scale structures and in more encompassing projects ranging from neighbourhoods to connected cities.

Growth strategy and opportunities

Bouygues Construction's strategy is based around three priorities:

- **to be a global player in places where it has a long-term presence,** such as Australia, Canada, France, the UK, Hong Kong and Switzerland, by drawing on its innovative products and services; and to develop exceptional projects with local partners;
- **to expand the energies & services and industrial activities,** by combining organic and external growth; and
- **to boost its actions in the fields of innovation and renewable energies, and roll out its Carbon strategy.**

More specifically, Bouygues Construction is aiming to:

- expand its property development activities by drawing on its Linkcity network;
- stake out a position as a leading player in rehabilitation and in the improvement of building energy efficiency;
- continue to be a top-notch player in the major infrastructure market (bridges, tunnels, concessions and PPP (public-private partnership) projects in France and worldwide) and expand its activities in the growing market for infrastructure repair work;
- enhance its skills in industrial processes and maintenance and develop cutting-edge skills in technical domains such as robotics, automation, smart buildings and the Internet of Things;
- roll out telecommunications infrastructure products and services in France and worldwide, and;
- continue its expansion in the solar farms segment, especially on international markets.

In these various market segments, Bouygues Construction:

- prioritises the health and safety of its employees and of its partners in all projects that it leads;
- proposes full-service offerings which meet customers' needs, capitalising on its knowledge of markets in key sectors such as rehabilitation, healthcare and hotels;
- pursues customer satisfaction over the long term, in particular by ensuring tight control over execution, high-quality products and services and after-sales support, and;
- uses digital technology as a strategic avenue of growth, via the design of new products and services and the use of digital solutions within its own business activities.

The company is also investing to increase productivity and improve its performance in the construction process.

Close-up on the Climate strategy

Bouygues Construction aims to:

- **make the transition to a low-carbon economy a major growth driver** and **generate business growth opportunities** by offering its customers distinctive high value-added products and services that minimise the carbon impact across the entire value chain;
- **be a pioneer in the integration of solutions** for the production, storage and distribution of decarbonised energy (solar, nuclear hydrogen, etc.), and for the energy efficiency of buildings, neighbourhoods, towns and cities (positive-energy buildings, zero-carbon neighbourhoods, etc.), and to support the development of low-carbon mobility (electric mobility, rail infrastructure, etc.)
- **reduce the direct and indirect emissions** related to its activities.

Bouygues Construction's **targets** are:

- **to reduce the intensity of its direct and indirect emissions by at least 30%** by 2030 (scopes 1, 2 and 3a) **versus 2019** (-40% for scopes 1 and 2 and -30% for scope 3a); and
- **offer solutions to its customers** that allow them to address the challenges of ecological transition.

Its **plan of action** is to:

- **reduce the carbon intensity of its operations** by focusing on design, building methods (timber construction, etc.), purchasing, particularly on priority packages such as concrete, steel, façades and external joinery, and on the energy consumption of sites and worksites;
- **boost and promote its expertise, skills and flagship projects** in domain of solutions for a low-carbon world; and
- **foster a low-carbon mindset for all** by providing training to all employees (clerical, technical and supervisory staff, and managers) about carbon issues, by encouraging them to reduce their travel-related emissions and engaging dialogue with customers and partners about projects.

Strengths and assets

An innovative, responsible and proactive player, Bouygues Construction has many strengths to draw on in all its activities:

- **know-how** through the talent of its employees in 60 countries who share the same customer-focused values;
- **end-to-end coverage of the value chain;**
- **a strong international presence**: Bouygues Construction operates worldwide on a long-term basis through well-established local subsidiaries or on one-off, technically complex major projects. These two approaches are complementary and give the company the necessary flexibility to deploy its resources quickly on strong-potential markets. Bouygues Construction generates over half its sales on international markets;
- **distinctive, high value-added products and services** based on long experience of managing complex projects, specific knowledge of sustainable construction and constant innovation in all its forms;

(a) A building which, in operation, produces more energy than it consumes.

- **the ability to adapt to changing markets:** the level of the backlog provides good medium-term visibility, enabling costs to be adjusted while focusing commercial investment on the most dynamic markets, and;
- **a substantial cash surplus**.

Market position

Given the organisational structure of its direct competitors, it is difficult to make like-for-like comparisons between them and Bouygues Construction.

- **In the world**: the Bouygues group's construction arm, represented by its three business segments Bouygues Construction, Bouygues Immobilier and Colas, is placed tenth in the 2019 ENR[a] ranking of international contractors. It is ranked **fifth based on its share of sales generated on international markets, which is one place higher than the survey published in 2019.**
- **In Europe:** based on the 2019 ranking published by trade magazine *Le Moniteur* in December 2020, the Bouygues group's construction arm (Bouygues Construction, Bouygues Immobilier, Colas) is the **third largest in Europe** after Vinci and Spanish firm ACS but ahead of French contractor Eiffage and Sweden's Skanska.
- **In France:** according to this same ranking[b], Bouygues Construction (its building and civil works activities alone) is **one of the top three contractors** behind Vinci Construction and Eiffage (its construction activities, excluding property development and infrastructures).

2.1.2.2 Business activity in 2020

Order intake underpinned by large international projects

In 2020, order intake reached €12.7 billion, up €0.4 billion versus 2019. Order intake remained firm despite the effects of the Covid-19 crisis. There were 16 new contracts worth over €100 million in 2020, a record-breaking 11 of them on international markets.

In **France,** order intake amounted to €4.8 billion, down 6% on 2019. Noteworthy inclusions were the Fécamp offshore wind farm and two flagship projects in preparation for the 2024 Paris Olympics: the Arena sports complex in the Porte de la Chapelle neighbourhood of Paris and the Saint-Denis watersports centre with its connecting pedestrian and cyclist overpass.

On the **international** markets, order intake showed a sharp 10% increase on 2019, reaching close to €8 billion. Of particular significance were the C1 section of the HS2 high-speed rail line north of London, Phase 3 of the Hallsville Quarter regeneration project in Canning Town (London) and the Pawtucket tunnel project on Rhode Island in the US.

Growing backlog provides long-term visibility

The backlog at end-2020 stood at a very high €22 billion, up 2% on end-December 2019 (and up 2% like-for-like and at constant exchange rates), with international markets accounting for 61%. Europe and Asia-Pacific are the two biggest international markets. Orders booked at end-2020 to be executed in 2021 amounted to €9.7 billion and to €12.3 billion thereafter, giving good visibility for future activity.

Sales driven by international markets

2020 sales were €12 billion, 10% lower than in 2019 (down 10% like-for-like and at constant exchange rates). The Covid-19 pandemic dealt a heavy blow in the first half of the year. The resulting lockdown measures that were implemented in numerous countries where the company operates led to the total or partial shut-down of worksites for several weeks over the course of the first half. All worksites returned to normal activity in the second half.

Building and civil works accounted for 71% of sales and energies and services 29%.

Sales in France were down 10% versus 2019 to €4.8 billion. This represents 40% of total sales.

Sales on international markets reached €7.2 billion, down 10% on 2019.

Operating performance hit by Covid-19 pandemic

Current operating profit was €171 million, down €207 million on 2019. The decrease was entirely attributable to the Covid-19 pandemic, the impact of which was estimated at -€290 million over H1 2020. The current operating margin was 1.4%, down 1.4 points on 2019:

- In Energies and Services, the current operating margin slipped 1.1 points to 1%. It was hit by the health crisis but benefited from improved profitability in projects in the core business, particularly in France.
- In Building and civil works, the current operating margin was 1.6%, down 1.5 points on 2019.

Net profit attributable to the Group came to €152 million, down from €325 million versus 2019.

The net margin was 1.3%.

High net surplus cash, despite the pandemic

Net surplus cash stood at €3.1 billion at end-2020, stable for the last two years. Bouygues Construction remained in very good financial health, despite the difficulties related to the Covid crisis.

(a) ENR Top 250 Global Contractors and International Contractors survey (August 2020).
(b) 2019 ranking published by *Le Moniteur* magazine in December 2020.

Developments in Bouygues Construction's markets and activities

Building and civil works

Sales in Building and civil works dropped 12% on 2019 to €8.5 billion. The share of international business in sales was 58%, stable compared to 2019.

FRANCE

In France, the building activities, which were already operating under tight budgetary conditions, felt the impact of the health crisis. In 2021, the services and industrial sectors are likely to suffer due to the postponement of certain projects. The building segment should nevertheless benefit from government stimulus plans focused on energy renovation, particularly in public buildings (universities, schools, hospitals, etc.), and the restart of sustainable construction projects. In the Paris region in particular, urban renovation projects and eco-neighbourhoods open up interesting opportunities (positive-energy buildings, zero-carbon neighbourhoods).

The civil works segment had a bright outlook in 2019, but then suffered the double blow of the Covid crisis and the electoral timetable. The level of investment in the regions remains uncertain. However, in the Paris region, business was sustained by Grand Paris major infrastructure projects, which represent a market worth over €30 billion up to 2030. The government's stimulus plan might also create openings in infrastructure related to green mobility.

2020 sales: €3.6 billion (-11 %)

In the building segment, the 13% drop in sales was partly linked to the Covid crisis, but also to a more selective approach to the projects taken on.

For the building activity in the Paris region, the year was marked by orders for the Saint-Denis watersports centre and its connecting pedestrian and cyclist overpass and the Arena sports complex, both in preparation for the 2024 Paris Olympics. Bouygues Construction began work on major eco-neighbourhood projects, like the Issy Cœur de Ville project in Issy-les-Moulineaux and Eole Evangile in Paris. A number of other projects are still underway, like the renovation of the building at 17 Boulevard Morland in Paris, while Tour Alto (La Défense) and the Paris Commodities Exchange were handed over. In the regions, work continues on the Co'Met entertainment complex in Orleans.

The civil works activity held up well in the Paris region, sustained by Grand Paris projects such as packages T2A and T3A for metro Line 15 and the RER Eole East-West Express Rail Link from Saint-Lazare station to La Défense.

Large-scale infrastructure projects are also still in progress outside the Paris region, such as the extensions to the ports of Calais and Port-la-Nouvelle and the off-shore wind farm at Fécamp.

EUROPE

After several years of growth linked to accelerating urbanisation and an upturn in investment, the Covid crisis has put a brake on the construction market. French government and EU stimulus plans should nevertheless boost the construction market in the medium term.

In Switzerland, the sector has been slowing since 2019 after hitting a peak in 2018; weak demand in the commercial property sector, a saturated residential property market in certain towns and cities and a fear of too much urbanisation are tending to alter the structure of the construction market. Switzerland nevertheless has attractive traditional markets, particularly in the research and health sectors.

In the UK, uncertainty surrounding Brexit persists. Activity in the civil works sector is however gaining momentum, assisted by the transport sector (road and rail) and major government-led infrastructure projects, both in construction and renovation.

Eastern Europe has mature but promising markets with high economic potential in the construction sector.

2020 sales: €2billion (stable)

In the **UK,** Bouygues Construction was involved in several urban regeneration projects, such as the Canning Town and Luton Street projects in London and Riverside in Canterbury. The company continued to work on high value-added educational and research projects, such as Cardiff University's Innovation Campus and a new student halls of residence for the University of Brighton. Work also continued on the Hinkley Point C nuclear power plant, where construction of the concrete slab of the second reactor was completed in June. When finished, it will meet 7% of the UK's power consumption needs and supply over five million households. Bouygues Construction also won from the British government the contract to build section C1 of the HS2 high-speed rail link that will connect London with Birmingham, Manchester and Leeds.

In **Switzerland,** Bouygues Construction strengthened its expertise in property development, especially in Kriens, Zurich and Delémont, where several eco-neighbourhood projects were awarded the 2000 Watts label[a].

In **Central Europe,** the building activity is covered by local subsidiaries in Poland, the Czech Republic and by a property-development strategy.

Elsewhere in Europe, Bouygues Construction is also involved on a one-off basis in major infrastructure projects.

In **Monaco,** after three years of work, Bouygues Construction completed the offshore extension project in December 2020. It also won a contract for the Grand IDA project, a mixed property development, through its Monaco subsidiary Richelmi.

In **Croatia,** work continues on the dualling of a section of the Istrian motorway, and a contract was recently signed to design and build the second tube of the Učka tunnel.

ASIA - PACIFIC

Asia posted dynamic growth and is holding up well despite the crisis, thanks to investment, particularly in China and India. Hong Kong, Singapore and the Philippines continue to exhibit strong potential thanks to a high level of demand.

In Australia, the construction market has been slow in the residential sector, while the health sector remains buoyant on the back of public investment. Government spending on the infrastructure construction market is likely to remain strong, especially on roads and telecommunications.

(a) The "2000-Watts society" concept is based on the aim of reducing overall energy consumption by a factor of three and greenhouse gas emissions by a factor of eight by 2050 through the massive use of renewable energies. The label is awarded by Cité de l'Énergie to development projects, neighbourhoods and urban areas which embrace these objectives.

2020 sales: €2.1 billion (-18%)

In **Asia-Pacific,** Bouygues Construction has developed its expertise through its building and civil works subsidiaries, giving it long-standing local operations, especially in Hong Kong, Singapore, Thailand and Australia.

Several major underground projects are being built in **Hong Kong,** including the Central Kowloon Route and the T2 Trunk Road undersea tunnel. This forms part of the government's large-scale project to build the Route 6 road link, which aims to relieve congestion on roads in central Kowloon. In June 2020, Bouygues Construction completed the main works for the Tuen Mun Chek Lap Kok sub-sea road tunnel.

In **Australia,** Bouygues Construction handed over the completed NorthConnex motorway tunnel in October. Work is still ongoing on the WestConnex tunnel in Sydney and on the Melbourne metro contract. Bouygues Construction is now firmly established on the Australian construction sector, particularly in data centres and hospitals, thanks to its subsidiary AW Edwards.

Bouygues Construction is a recognised player in the building segment in **Singapore** and **Thailand,** especially for high-rise residential buildings such as the Project Glory complex in Singapore and the multi-product One City Center building in Bangkok, handed over in 2020.

In the **Philippines,** Bouygues Travaux Publics and VSL won a contract to build a bridge as part of the North–South Commuter Railway (NSCR) urban rail network.

AFRICA - MIDDLE EAST

High levels of economic growth are expected in Africa, linked in particular to rapid urbanisation, though the geopolitical context remains fragile. The Middle East-Africa region posted rapid growth. The Gulf countries have been hit by the drop in oil prices in recent years, but heavy investment in transport infrastructure will be the main growth driver in this high-potential region. Bouygues Construction takes a selective approach to projects in this part of the world.

2020 sales: €435 million (-20%)

In **Egypt,** after taking part in the construction of Lines 1 and 2 of the Cairo metro, Bouygues Construction is building the new phase of Line 3.

It has long-standing operations in **Morocco,** where it excels in upmarket building projects and it leverages its Linkcity network to carry out property developments such as the BO52 programme in Casablanca.

The company's expertise in earthworks for opencast mining is illustrated in its operation of gold mines at Kibali in the **Democratic Republic of Congo,** Tongon in **Ivory Coast** and Gounkoto in **Mali.** Bouygues Construction is also involved on a one-off basis in roadbuilding projects in other African countries. Its presence now extends from **Benin** to the **Ivory Coast,** with the signing in 2020 of two contracts to build the Abomey Calavi and Yopougon hospitals.

Finally, in the **Middle East,** Bouygues Construction has been responsible for building parts of the UMM Lafina bridges in Abu Dhabi and the Al Bustan expressway in **Qatar,** underlining once more its expertise in the manufacture and installation of the deck segments for this type of project.

AMERICAS - CARIBBEAN

There are opportunities in the Americas, especially in Canada and the United States, as a result of the public authorities' stated intention of rebuilding infrastructure. The demand for tourist complexes in the Caribbean is another area of interest for Bouygues Construction, despite the heavy blow that Covid-19 has dealt the tourism industry.

2020 sales: €388 million (-16%)

The **Americas – Caribbean** region is growing strongly. Bouygues Construction has a long-term presence in **Cuba,** where it is a recognised specialist in the construction of turnkey luxury hotel complexes. It has completed the renovation of the Diamonds Resorts hotel on the island of **Saint Martin.** The end of the year also saw the awarding of a contract to build the Pawtucket water management tunnel in the **United States.**

Energies and Services

The Energies & Services arm – comprised of the subsidiaries Bouygues Energies & Services, Bouygues Energies & Services InTec, and Kraftanlagen – operates in digital networks, electrical and HVAC engineering, facilities management and services to industry.

Value added in the Energies & Services sector comes from industrial maintenance and processes, and state-of-the-art technology (robotics, smart buildings, etc.), in response to growing industry demand for such services. There is also a growing need for good network connections coming from the regions, where demand for telecommunications, and in particular fibre optics, will favour the development of network infrastructure.

Environmental challenges, growing urbanisation and the scarcity of raw materials are core concerns and open up attractive opportunities in the areas of renewable energy, energy efficiency in buildings and the digitisation of services.

These key challenges and trends on the energy and services markets offer the Energies & Services arm major sources of growth, both in the countries where it has most of its operations (Canada, France, the UK and Switzerland) and in emerging countries, especially in Asia and Africa.

The Energies & Services arm contributed €3.5 billion to the consolidated sales of Bouygues Construction in 2020, down €194 million (-5%) on 2019.

FRANCE

2020 sales: €1.2 billion (-6%)

Sales in France were down 6% compared to 2019, due to the Covid-19 pandemic. The government's stimulus plan should nevertheless create good opportunities in the areas of renewable energy, energy efficiency in buildings and the digitisation of services.

Bouygues Energies & Services rolls out this type of infrastructure as part of local authorities' digital development policies. These activities are carried out in partnership with Axione, jointly managed with Vauban Infrastructure, an investment fund. Numerous large-scale contracts are underway in Brittany, as well as in northern France.

At end-2020, Bouygues Construction had already installed FTTH in more than 1.4 million premises, making it a leading player in the FTTH sector in France.

Bouygues Energies & Services is involved in numerous construction and renovation projects in the building sector, offering expertise in electrical, mechanical and HVAC engineering. Examples are the installation of the HVAC systems in Store 3 of La Samaritaine in central Paris and more recently in the future headquarters of the European Space Agency (ESA) in the 15th arrondissement. It is also renowned for its expertise in the design and installation of solar farms. Landmark projects include the farms at Piolenc and Saint-Maurice-la-Clouère, both in south-east France.

Bouygues Energies & Services has contracts to operate and maintain several public and private facilities in France, such as the Paris law courts and the French Defence Ministry. Through its Evesa subsidiary, it also carries out a street lighting contract for the City of Paris.

Finally, Bouygues Energies & Services aims to establish itself as a leading player in the design and operation of smart cities. It played a key role in the roll-out of France's first smart city in Dijon, in collaboration with Citelum (an EDF subsidiary), Suez and Capgemini. This 12-year project covers the management of a connected control centre for public facilities serving the 250,000 people who live in the Dijon metropolitan area.

INTERNATIONAL

2020 sales: €2.3 billion (-5%)

The Bouygues Energies & Services InTec and Kraftanlagen subsidiaries possess recognised expertise in energy systems and industrial engineering and also offer solutions for power plants, particularly in the field of hydroelectric generation. They have already put down solid roots in Europe, notably in **Switzerland** and **Italy** for Bouygues Energies & Services InTec and in **Germany** and **Romania** for Kraftanlagen. 2020 also saw the signing of a contract to modernise the Leuna power plant for an amount of over €100 million.

In the field of power grid infrastructure projects, Bouygues Energies & Services develops turnkey photovoltaic solutions. In **Japan,** for example, it is building a solar farm in the Tochigi prefecture.

Bouygues Energies & Services is developing its facilities management activity, notably in the **United Kingdom** with the Southmead hospital in Bristol. In 2020 it also signed a 14-year contract for the Addenbrooke hospital and a maintenance contract for six sites run by Public Health England.

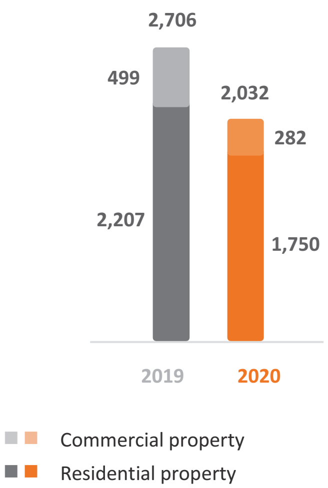
In **Canada,** the company provides facilities management services for Surrey Hospital and the Royal National Mounted Police headquarters. Facilities management gives Bouygues Energies & Services a long-term revenue stream.

2.1.3 Bouygues Immobilier, creator of better living

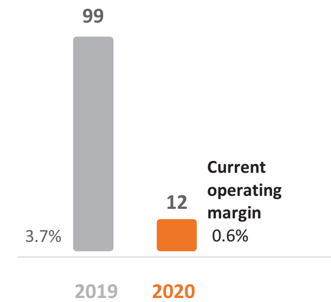
As a benchmark urban developer-operator in France, Bouygues Immobilier provides innovative and sustainable solutions to meet the needs of urban environments and of its customers, with the aim of creating better living.

Key figures

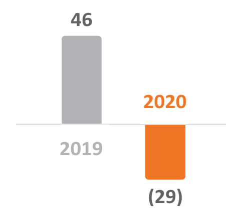
Sales
€ million



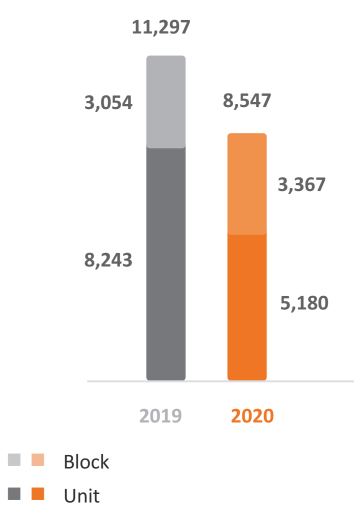
Current operating profit
€ million



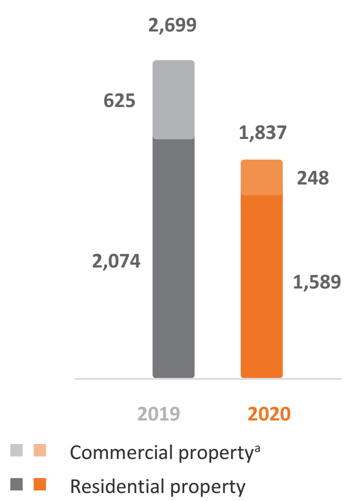
Net profit/(loss) attributable to the Group
€ million



Residential property
number of reservations



Reservations
€ million



(a) Includes commercial property, as well as ground-floor retail premises, in France and abroad.

Condensed balance sheet

ASSETS

at 31 December, € million	2020	2019
Property, plant and equipment and intangible assets	44	51
Right of use of leased assets	28	37
Goodwill		
Non-current financial assets and taxes	85	81
Non-current assets	**157**	**169**
Current assets	1,979	2,236
Cash and cash equivalents	60	86
Financial instruments - Hedging of debt		
Current assets	**2,039**	**2,322**
Held-for-sale assets and operations		
TOTAL ASSETS	**2,196**	**2,491**

LIABILITIES AND SHAREHOLDERS' EQUITY

at 31 December, € million	2020	2019
Shareholders' equity attributable to the Group	442	471
Non-controlling interests	2	4
Shareholders' equity	**444**	**475**
Non-current debt	18	20
Non-current lease obligations	22	31
Non-current provisions	99	91
Other non-current liabilities and taxes	5	9
Non-current liabilities	**144**	**151**
Current debt	12	40
Current lease obligations	8	9
Current liabilities	1,252	1,511
Overdrafts and short-term bank borrowings	336	305
Financial instruments - Hedging of debt		
Current liabilities	**1,608**	**1,865**
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,196**	**2,491**
NET DEBT (-)/NET SURPLUS CASH (+)	**(306)**	**(279)**

Condensed income statement

€ million	2020	2019
Sales	**2,032**	**2,706**
Net charges for depreciation, amortisation and impairment losses on PP&E and intangibles	(10)	(10)
Net amortisation expense on right of use of leased assets	(8)	(9)
Charges to provisions and other impairment losses, net of reversals due to utilisation	(38)	(24)
Other income and expenses	(1,964)	(2,564)
Current operating profit	**12**	**99**
Other operating income and expenses	(17)	
Operating profit	**(5)**	**99**
Cost of net debt/income from net surplus cash	(1)	(2)
Interest expense on lease obligations	(1)	(2)
Other financial income and expenses	(19)	(7)
Income tax expense		(38)
Share of net profits/losses of joint-ventures and associates	(4)	(3)
NET PROFIT/(LOSS)	**(30)**	**47**
Net profit/(loss) attributable to non-controlling interests	(1)	1
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**(29)**	**46**

(a) Positive-energy commercial buildings.

HIGHLIGHTS

RESIDENTIAL PROPERTY

- Agreement with housing association CDC Habitat concerning the block sale of 3,700 housing units, of which 1,750 reserved in 2020

URBAN PLANNING

- Nanterre Cœur Université district: in February 2020 opening of the first cinema developed by Bouygues Immobilier; handover of a shared car park and 15,000 m² of retail and restaurant space
- BiodiverCity label (handover phase) confirmed for the Neo-C eco-neighbourhood in Créteil, France

COMMERCIAL PROPERTY

- Handover in June 2020 of the IntenCity building (27,000m²) in Grenoble to Schneider Electric, the sole user
- Handover in mid-2020 of two Green Office [a] buildings in the new Nanterre Cœur Université neighbourhood

OPERATION AND SERVICES

- KoumKwat, the coliving solution, is chosen for a feasibility study for the leasing of a residential building (around 12,000 m²) in the future Charenton-Bercy district near Paris

INTERNATIONAL

- Continued expansion with the launch of Essential, a virtuous residential development (167 housing units) near Warsaw, Poland. It is targeting the BiodiverCity label

GOVERNANCE

- On 7 December 2020, Bernard Mounier stepped down as Deputy CEO of Bouygues Construction. From this date he began preparing to succeed Pascal Minault, Chairman of Bouygues Immobilier. He took up his new position on 19 February 2021. Pascal Minault joins Bouygues Construction on 1 April 2021

2.1.3.1 Profile

An urban developer-operator and a key player on the French market for over 60 years, Bouygues Immobilier is present throughout the entire property development value chain, from property development, its core business, to urban planning and operation.

With a range of products spanning social, intermediate and private-sector rental housing, office buildings, retail premises, managed residences and hotels, Bouygues Immobilier offers innovative, long-term solutions to meet the needs of both local planners and customers.

As all its activities have a strong impact, Bouygues Immobilier aims to address key urban environmental and social concerns by maximising upsides, such as urban regeneration and local employment, and minimising downsides, such as CO_2 emissions, consumption of resources and effects on biodiversity, with the aim of creating better living.

Growth strategy

In late 2019, Bouygues Immobilier embarked on a new 5-year corporate plan called #BI2025.

Four strategic priorities

- **Diversify and enhance land management** through UrbanEra's planning and development activities, partnerships with industry and institutions, the use of new technologies such as big data and artificial intelligence, and innovative financial engineering.
- **Win new markets** with a wide range of property development products to better meet the expectations of local authorities and customers, including entry-level, core-market and premium housing, rehabilitation, commercial property, residences for senior citizens, tourists and students, and hotels.
- **Offer customers long-term support** by strengthening its operation and other services through "managed" residences for students (a new business) and senior citizens (Les Jardins d'Arcadie, a joint venture with Acapace), coworking[a] (Wojo, a joint venture with Accor), coliving[b] (Koumkwat), services for office buildings (Aveltys, a joint venture with Schneider Electric) and rental management (a new business).
- **Have a positive impact on urban environments and, more generally, on the environment through its operations**:
  - **support urban regeneration, respond to the shortfall in accessible** housing, **support local economies and local jobs, introduce nature** into urban environments (positive impacts);
  - **reduce the carbon emissions of its activities** (a reduction of 32% by 2030 versus 2020);
  - **protect biodiversity** (25% of projects to be biodiversity positive by 2025) and
  - **preserve resources** via the circular economy and the introduction of new reversible construction methods (negative impacts).

Five drivers of performance and transformation

- **Digitisation:** consolidate and extend Bouygues Immobilier's lead over its competitors by:
  - generalising BIM[c] and developing use cases; and
  - using data and artificial intelligence to improve the design, construction and distribution of products while enhancing the customer experience.
- **Industrialisation:** standardise and optimise processes with BIM[3], strengthen the purchasing policy and use new construction methods to improve quality while reducing costs and deadlines.
- **Useful innovation:** prepare for the news ways of using property, better meet customers' expectations and create better living.
- **Partnerships:** forge long-term relationships of trust with local authorities, social landlords, investors, residential operators, major industrial and institutional players and supply-chain actors.
- **Cultural and managerial transformation:** a new set of guidelines has been disseminated within the company since the end of 2019 entitled "BI Spirit" in order to develop more collective, positive and empowering behaviour based on five pillars:
  - trust,
  - openness to change,
  - simplicity,
  - teamwork,
  - audacity, and;
  - desire.

Close-up on the Climate strategy

Aims

After over ten years of focusing on energy efficiency, Bouygues Immobilier is crossing a new milestone by reassessing all its property products and services from the angle of carbon performance and the ability to adjust to climate change.

Climate change is and will be a major transformation factor in the mid to long term for all economic activities, whether it be via a sharp reduction in fossil-fuel energy consumption or the physical impacts of natural events which are set to multiply.

Targets

Drafted in accordance with the recommendations of France's National Low-Carbon Strategy (SNBC 2020) and in compliance with the Paris Agreement,

(a) Third places available to self-employed people who do not necessarily work in the same field, designed to encourage exchange and well-being at work while reducing commuting.
(b) Dwellings with private areas and areas shared with other residents, combined with services such as internet and laundry.
(c) Building Information Modelling. Digital modelling and management of the data involved in order to design, build and operate buildings more quickly and efficiently. Using augmented and virtual reality functions, BIM helps to anticipate the requirements inherent in new buildings. Its logistics features make it easier to start up a worksite and operate it throughout the construction process, in compliance with a sustainable construction approach. It has been proven in several depollution and deconstruction projects (see Chapter 3 of this document).

Bouygues Immobilier's carbon trajectory is aiming for a **32% reduction in its greenhouse gas emissions by 2030 versus 2020 on scopes 1, 2 and 3.**

The property sector is both one that contributes significantly to greenhouse gas emissions and one that is highly exposed to the consequences of climate change and thus will be subject to new environmental regulations (RE2020) that will factor in carbon performance targets into already existing thermal performance objectives.

Action plan

To keep pace with these changes and support its customers in an ever more tightly regulated world, Bouygues Immobilier has launched an ambitious Carbon strategy that will involve all its professions and include the following:

- **the design of decarbonised products and services:** an overhaul of its product ranges (residential, office, urban planning) to factor in the "carbon" criterion;
- **responsible purchasing:** roll-out of the "carbon" criterion in the purchasing process: an inventory of all FDES[a] documents, introduction of framework contracts for lifecycle assessment services, sourcing of alternative decarbonised materials from suppliers;
- **development of skills and training:** roll-out of four training modules for all employees to increase buy-in of carbon issues, whether for projects or in daily life at the company; and
- **tools and solutions:** creation of "low-carbon technical factsheets" and a "Carbon calculator" for buildings and entire neighbourhoods, which will optimise the technical performance/carbon performance/cost trio.

Strengths and assets

As a result of the major impact of the Covid-19 crisis (a drop in building permits, new housing starts and reservations), the French market posted 99,515 reservations in 2020, equating to a 24% drop versus 2019 (source: ECLN[b]). Bouygues Immobilier has been able to implement solutions to ensure the continuation of its activity and enjoys a number of strengths to ensure future growth:

- **extensive geographical coverage:** the company has 32 branches and four subsidiaries in France, which keep it close to the grassroots and responsive to demand from local authorities and customers;
- a **well-known name** and acknowledged expertise, from single buildings to entire neighbourhoods with UrbanEra;
- a **fully-fledged ability to innovate** as demonstrated by a finalised and visible new range of products and services: for example, the design of a new ground-breaking residential property project has been launched and will be unveiled during 2021; a completely revamped core range of products and services; Koumkwat co-living residential buildings; a commercial property project entitled *Bureau généreux* (the generous office)*,* both of which are being prepared.
- A **committed, ambitious and structured CSR policy** to meet major urban environmental and societal challenges.
- A **healthy financial structure** and a robust business model that gives priority to risk management.
- A **reputation for skilled and motivated people capable** of carrying out ambitious projects: a series of measures to simplify and empower aimed at dealing with certain operational difficulties, lightening the workload and streamlining the company's modus operandi have already been adopted.
- **Boosting of the land bank,** thanks to enlarged teams that can draw on effective tools and the Major Accounts and Financing approach.

Market position

With an estimated market share of 8% in 2020, Bouygues Immobilier is, along with Nexity and Altarea Cogedim, one of France's three leading residential property developers.

In commercial property, Bouygues Immobilier positions itself as a pioneer in relation to its main rivals thanks to products with a strong environmental edge (positive-energy buildings, low-carbon buildings, rehabilitation projects) that offer more services both to building users and to local residents, such as shops, eateries and coworking spaces.

In urban planning, UrbanEra is a standard-setter for sustainable neighbourhood design in France with handovers in 2020 that include:

- the final development in the Ginko eco-neighbourhood in Bordeaux, Coeur Ginko, comprising 150 housing units and shopping centre. In total the Ginko neighbourhood comprises 3,030 housing units, 25,000 m² of office space, 30,000 m² of retail space, 20,000 m² of public amenities, extensive landscaped areas and provision for soft mobility;
- Nanterre Cœur Université, adjacent to the La Défense business district. A 76,000-m² neighbourhood with 500 housing units, two Green Office buildings of 18,800 m² and 8,800 m² respectively, 30 shops and leisure facilities including a multi-screen cinema, climbing walls and a fitness centre.

2.1.3.2 Business activity in 2020

Developments in Bouygues Immobilier's markets and activities

Residential property

A SLOWDOWN IN NEW HOUSING UNITS FOR SALE AND IN RESERVATIONS

In the climate of significant uncertainty created by the health crisis, the resulting lockdowns and the postponement of the municipal elections, reservations on France's new housing market reached 99,515 in 2020, down by 24% compared to 2019 (source: ECLN). The number of building permits granted dropped 15% compared to 2019 (source: Sit@del), leading in turn to a 27% decline in the number of new homes for sale in most regions of France, both in terms of single-unit and multi-unit housing (source: ECLN). Finally, the average price of single-family houses rose 4% year-on-year, while that of apartments increased 2% per m² (source: ECLN).

However, the market fundamentals remain positive:

- demand for housing remains strong;
- terms for borrowers remain highly attractive, with interest rates stable at very low levels and long average loan durations; and

(a) FDES: a French standardised document that shows the results of a product's life cycle analysis as well as health information, used to calculate the environmental and health performance of an eco-designed building.
(b) ECLN new housing survey, carried out by the data and statistical analysis department of the French Ministry of the Environment.

- tax incentives (zero-interest loan programme, Pinel buy-to-let incentives) have been extended until the end of 2022.

Bouygues Immobilier took total reservations of 8,547 residential property units in 2020 (down 24% year-on-year), equating to €1.6 billion (down 23% year-on-year). In France, the number of reservations was 7,739, down 25% (43% block sales, 57% unit sales). Bouygues Immobilier's commercial activity outside France held up well, driven mainly by Poland, where 808 reservations were taken.

A DIVERSIFIED OFFERING

Bouygues Immobilier offers a diversified range of housing products:

- multi-unit housing (for owner-occupiers or buy-to-let investors, at below market prices, intermediate, and social housing);
- single-family houses, and;
- serviced residences for seniors or students, and co-living.

2020 saw a number of landmark handovers, such as:

- the first tranche in May 2020 of "D'une Rive à l'Autre", a prestigious residential complex with 52 luxury apartments in Neuilly-sur-Seine, developed jointly by Bouygues Immobilier and Sogeprom; and
- the handover of apartment complex Villa Clémence in Gap, south-east France, carrying the Bepos Effinergie 2017 label and the first project where Bouygues Immobilier has obtained E+C- performance at the E3 C2-level.

Other successes in 2020: a commitment to buy, accompanied by a transfer of a development permit, in Schiltigheim (north-east France) for 600 housing units, a project for 150 homes in Clermont-Ferrand (central France), and with CDC Habitat, a sale agreement for 3,700 homes, of which 1,750 were reserved in 2020.

Commercial property

A CONTRACTING MARKET

Take-up in commercial property, which was already running out of steam in 2019, saw a steep decline. Office take-up in the Paris region was extremely weak in 2020, falling 45% year-on-year to 1.3 million m². The outlook for 2021 is highly uncertain. Any recovery in the commercial property market will depend on the speed of the vaccination roll-out and an upturn in the French economy. The investment market contracted to €28.2 billion in 2020, down 35% on 2019. After several consecutive record-breaking years, investment in 2020 returned to a level closer to the long-term average. In what remains a highly uncertain health and economic context, the market is unlikely to return to very strong momentum in 2021 (Sources: Immostat, JLL, CBRE, Cushman & Wakefield.) In this context, reservations taken by Bouygues Immobilier in France amounted to €248 million in 2020, underpinned by the following commercial property transactions:

- Handover in June 2020 of the IntenCity building (27,000m²) in Grenoble to Schneider Electric, the sole user (to host 1,500 employees).
- Handover in June and July 2020 of two Green Office[a] buildings in the Nanterre Cœur Université neighbourhood: Upside and Hub 247 to two investors, respectively AG2R La Mondiale and Ivanhoé Cambridge.
- In partnership with Midi Foncière (an asset manager fully-owned by Caisse d'Epargne de Midi-Pyrénées), Bouygues Immobilier announced in September 2020 the construction of the second tranche of the Neofis campus, a 9,200m² office and laboratory complex. Located in Toulouse, it will serve as the future headquarters of Vitesco Technologies (Continental) and handover is scheduled for the first quarter of 2022.
- The off-plan sale in October 2020 of a 3,100 m² building at 38 Cours Albert in Paris to Kresk Développement holding.
- In September 2020, Keys Reim, an asset management company of the Keys Asset Management group, purchased two bare-shell buildings off-plan. Both are at the heart of the Lyon Confluence district.
- Sale of land in Meudon (south-west of Paris) to build a data centre for Equinix.

NEW COMMERCIAL PROPERTY PRODUCT: LE BUREAU GÉNÉREUX (THE GENEROUS OFFICE)

Having led the way in Green Office® positive-energy office buildings over the last ten years (15 projects completed in 2020), Bouygues Immobilier is now offering a new generation of office buildings, open to the neighbourhood: *le Bureau Généreux* (the generous office). These buildings integrate features that respond to environmental and societal needs, such as low-carbon construction, shared spaces and good connections to soft mobility infrastructure. Sways (the future Canal+ headquarters) in Issy-les-Moulineaux, the Eda project, designed by Kengo Kuma & Associates in the 15th arrondissement of Paris, or the low-impact Ilow project in Nanterre (near Paris) all represent this new approach to commercial building design, which aims to better serve the planet, companies and their employees and the surrounding neighbourhoods.

Sustainable urban planning

UrbanEra, Bouygues Immobilier's Major Urban Projects division, developed buildings covering a floor area of 170,000 m² in 2020. UrbanEra responds to the significant demand for urban regeneration in the French regions.

In 2020, UrbanEra handed over the last segment of the Cœur Ginko eco-neighbourhood in Bordeaux (150 housing units and a shopping centre). In Marseille, it began marketing the first Bouygues Immobilier apartment building in the new eco-neighbourhood Les Fabriques (148 housing units and 700m² of shops). In February 2020, the first cinema developed by Bouygues Immobilier, with a 636-space shared car park, was opened in the new Nanterre Cœur Université neighbourhood, just outside Paris. This was accompanied by the handover and partial opening of 15,000 m² of retail and restaurant space.

Operation and services

Bouygues Immobilier has been expanding its operation and services activities over the last six years:

- **Residences for senior citizens:** In 2020, Poste Immo signed a preliminary agreement with Les Jardins d'Arcadie, a joint subsidiary of Bouygues Immobilier and Acapace, for the transformation of around ten

(a) Bouygues Immobilier's positive energy commercial property brand.

2

former post office buildings around France into retirement homes and then for their operation. One of the leading French providers of serviced residences for senior citizens, Les Jardins d'Arcadie was voted best brand in the "Companies providing for senior citizens in serviced residences" category in the exclusive 2021 Best Brand Awards organised by Capital magazine.

- **Coworking:** Bouygues Immobilier opened the first Nextdoor site in 2015. Breaking with the traditional commercial property model, these spaces respond to corporate needs for mobility and flexibility, as well as new working methods based on teamwork and agility. A partnership with Accor was concluded in 2017 in order to accelerate the roll-out of Nextdoor. In 2019, Nextdoor changed its name to Wojo. In 2020, Wojo became France's largest network of workspaces thanks to the roll-out of a new kind of workspace: Wojo Corners and Wojo Spots. It also opened its first site in Spain (Barcelona).
- **Coliving:** KoumKwat is a fully-owned subsidiary of Bouygues Immobilier responsible for managing co-living residences for young professionals. In 2020 it was chosen to carry out a feasibility study for the possible leasing of a residential building of almost 12,000 m^2 (600 housing units) in the future Charenton-Bercy district.
- **Commercial property services:** Aveltys is a joint venture between Bouygues Immobilier and Schneider Electric specialised in managing and optimising the performance of commercial properties. Since 2020 it has been widening its guaranteed buildings charges offer with a new Hospitality Management service and the roll-out of a digital platform across all of its sites that ensures precise monitoring of building performance, real time comparison with service commitments and overall optimisation of operations.

Financial results

Bouygues Immobilier took reservations worth €1.8 billion in 2020, down 32% versus 2019. The backlog at end-December 2020 stood at €2 billion, down 10% year-on-year. France represented 95% of the order book at end-December 2019.

Bouygues Immobilier posted sales of €2.0 billion, a decline of 25% or down €674 million on the previous year, largely due to the impact of the Covid crisis. The first-half shortfall due to this impact was estimated at €400 million. Sales from Residential property came to €1.7 billion, down 21% on 2019, resulting from a drop in reservations and notarised sales, and the slowdown in construction work caused by Covid. Commercial property sales were €0.3 billion in 2020, down 43% versus 2019, which was a year marked by the sale of the Sways building in Issy-les-Moulineaux at the end of that year.

Current operating profit amounted to €12 million, €87 million lower than in 2019. This represents 0.6% of sales. The impact of the health crisis on current operating profit is estimated at -€50 million in the first half of 2020.

Bouygues Immobilier posted a net loss attributable to the Group of €29 million.

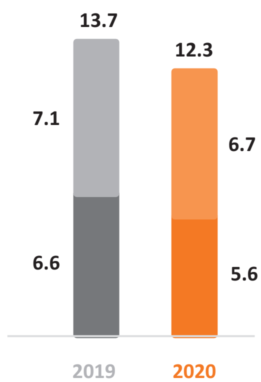
The company had net debt of €306 million at 31 December 2020.

2.1.4 Colas, a world leader in transport infrastructure construction and maintenance

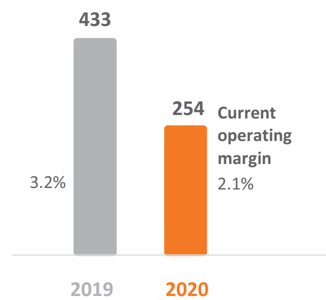
Colas designs, builds and maintains transport infrastructure responsibly, basing itself on its strong grassroots presence worldwide. Operating in over 50 countries worldwide, the group's ambition is to be the world leader in innovative and responsible mobility solutions.

Key figures

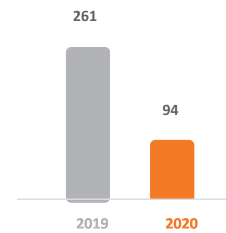
Sales
€ billion



Current operating profit
€ million



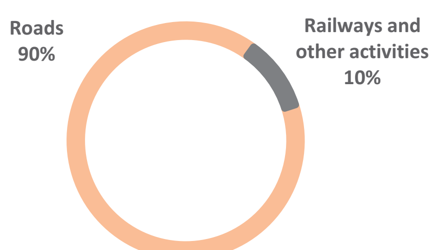
Net profit attributable to the Group
€ million



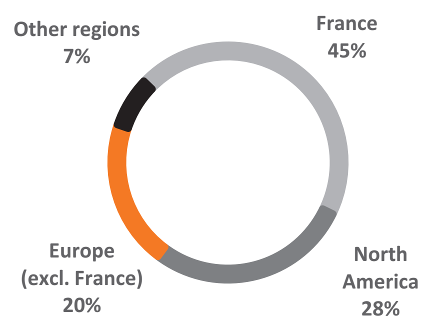
International
France

Backlog
€ billion, end-December

Sales by business line



Sales by region



Condensed balance sheet

ASSETS

at 31 December, € million	2020	2019
Property, plant and equipment and intangible assets	2,518	2,789
Right of use of leased assets	411	408
Goodwill	697	694
Non-current financial assets and taxes	721	736
Non-current assets	**4,347**	**4,627**
Current assets	4,225	4,823
Cash and cash equivalents	606	488
Financial instruments - Hedging of debt	10	11
Current assets	**4,841**	**5,322**
Held-for-sale assets and operations		
TOTAL ASSETS	**9,188**	**9,949**

LIABILITIES AND SHAREHOLDERS' EQUITY

at 31 December, € million	2020	2019
Shareholders' equity attributable to the Group	2,597	2,882
Non-controlling interests	24	27
Shareholders' equity	**2,621**	**2,909**
Non-current debt	346	431
Non-current lease obligations	345	335
Non-current provisions	941	857
Other non-current liabilities and taxes	100	117
Non-current liabilities	**1,732**	**1,740**
Current debt	28	36
Current lease obligations	96	93
Current liabilities	4,462	4,772
Overdrafts and short-term bank borrowings	238	387
Financial instruments - Hedging of debt	11	12
Current liabilities	**4,835**	**5,300**
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,188**	**9,949**
NET DEBT (-)/NET SURPLUS CASH (+)	**(7)**	**(367)**

Condensed income statement

€ million	2020	2019
Sales	**12,297**	**13,688**
Net charges for depreciation, amortisation and impairment losses on PP&E and intangibles	(442)	(462)
Net amortisation expense on right of use of leased assets	(97)	(90)
Charges to provisions and other impairment losses, net of reversals due to utilisation	(237)	(151)
Other income and expenses	(11,267)	(12,552)
Current operating profit	**254**	**433**
Other operating income and expenses	(69)	(28)
Operating profit	**185**	**405**
Cost of net debt/income from net surplus cash	(27)	(33)
Interest expense on lease obligations	(15)	(15)
Other financial income and expenses	(1)	2
Income tax expense	(86)	(141)
Share of net profits/losses of joint-ventures and associates	38	43
NET PROFIT	**94**	**261**
Net profit attributable to non-controlling interests		
NET PROFIT ATTRIBUTABLE TO THE GROUP	**94**	**261**

HIGHLIGHTS

ACQUISITIONS

- The assets of Granite Contracting LLC[a], a company operating in North and South Carolina (US)

MAJOR CONTRACT GAINS

- Resurfacing of Interstate 80 in Pennsylvania (US)
- Replacement of power supply equipment for the Bukit-Panjang light-rail transit system (Singapore)
- Extension of the Valley Line West LRT in Edmonton (Canada)

MAJOR PROJECTS UNDER CONSTRUCTION

- Circuits for the BMW test centre (Czech Republic)
- Liège tram line (Belgium)
- Taxiway P for Los Angeles airport (US)
- Renovation of Highway 401 in Toronto (Canada)
- Widening of the A10 motorway in central France

INNOVATION

- Two "BIM d'Argent"[b] awards for the Taza wind farm project (Morocco) and a Flowell (dynamic road marking) project in the Paris business district of La Défense (France)
- A new trial for Flowell, the dynamic road marking solution, in Nantes (France)

(a) An asphalt mix producer and road works specialist.
(b) An awards ceremony organised by trade magazines *Le Moniteur* and *Les Cahiers Techniques du Bâtiment*.

2.1.4.1 Profile

Colas has three main activities: roads, construction materials and railways. It is also present in the transport of water and energy. Much of its business is local and of a recurrent nature.

With 800 profit centres and 3,000 materials production units (quarries, emulsion factories, asphalt mix and ready-mix concrete plants, a bitumen production plant) in around 50 countries around the world, Colas completes over 60,000 projects every year.

In addition, it recovers and recycles waste and deconstruction materials from the construction industry and other sectors for use in its worksites. Colas is one of the world's top five recyclers across all sectors, recycling 17 million tonnes of materials a year.

Activities

Roads

Each year, Colas builds and/or maintains roads and motorways, as well as airport runways, ports, industrial, logistics and commercial hubs, external works and amenities, reserved-lane public transport (bus lanes and tram lines), recreational facilities and environmental projects. There is also a civil engineering activity, spanning both small and large projects, a marginal construction (and deconstruction) activity and a road safety/signalling activity (Aximum).

Construction materials

Upstream of roadbuilding, Colas has a significant presence in the production, sale and recycling of construction materials (aggregates, emulsions, asphalt mixes, ready-mix concrete, bitumen) through an extensive international network of 478 quarries and gravel pits (of which 79 partly-owned by Colas), 151 emulsion plants, 538 asphalt plants, 192 ready-mix concrete plants and one bitumen production plant[a]. Colas also has a significant bitumen distribution activity supplied by 71 bitumen terminals, eight asphalt carrier cargo ships and two river barges.

Railways

The Railways activity (Colas Rail) comprises the design and engineering of complex, large-scale projects and the construction, renewal and maintenance of rail networks (conventional and high-speed lines, trams and metro systems).

Other activities

Colas also has a Water and energy transport activity (Spac), which encompasses the installation and maintenance of large- and small-diameter pipes and pipelines for conveying fluids (oil, gas and water) and for dry utilities (electricity, heating and telecommunications).

Growth strategy and opportunities

Colas' growth strategy is built on four main priorities:

- **make optimum use of the industrial activities, especially aggregates and bitumen,** in a socially and environmentally responsible way in order to control the availability and quality of sourced materials and improve competitiveness;
- **continue targeted international expansion,** mainly through external growth in low-risk countries, in order to establish and consolidate leading positions on local markets and capitalise on geographical diversification to help spread risk;
- **develop and implement low-carbon solutions,** in its production methods (energy savings, recycling, hydrogen, teleworking etc.) and in its products and services for customers and users (contract-based, technical, digital solutions);
- **adjust Colas to the post-Covid world, particularly by speeding up the digital transformation** of its processes, its manufacturing and its new business lines, in order to improve the quality of the service provided and competitiveness, and to offer new services.

Close-up on the Climate strategy

Aims

To combat climate change, Colas is committed to a strategy of decarbonising its activities.

Targets

- **a 30% reduction, by 2030, in its direct greenhouse gas emissions** (scopes 1 and 2) and a 30% reduction in its upstream indirect emissions (scope 3a) **versus 2019, the reference year.**

This target is based on estimates of CO_2 emissions avoided resulting from the implementation of a series of actions outlined in a roadmap.

Action plan

Coordinated by a carbon strategy committee and rolled out in the operating entities, Colas' low carbon roadmap comprises 24 pledges monitored by indicators that either already exist or are being created. Actions are based on four priorities:

- **integration of climate issues into strategy** (new lines of business based on renewable energy offers, raising awareness among staff and training them);
- **improvement of energy efficiency in order to cut the greenhouse gas emissions generated by direct energy consumption** in asphalt mixing plants, plant, and vehicles (energy monitoring, renewable energies, low-carbon solutions);
- **development and promotion of low-carbon products, techniques and solutions** (purchasing of low-carbon cement and binders, production of low-carbon concrete, bio-based materials, warm and cold asphalt mixes, in-place recycling);
- **contribute to carbon neutrality and the reduction of emissions generated by customers and users** (responsible and innovative mobility and flow management services, optimisation of infrastructure usage, carbon capture and storage).

Strengths and assets

Colas operates on **markets with long-term growth prospects in all the countries where it is present.** These markets are driven by population growth, urbanisation, substantial infrastructure needs in emerging

(a) The Kemaman refinery in Malaysia (via Tipco Asphalt).

countries, recurrent maintenance of existing infrastructure in developed countries, environmental challenges, the spread of new forms of mobility and the digital revolution.

Colas' main strengths are:

- **worldwide collective expertise** drawing on 55,000 employees, who share a common history and values (caring, sharing, daring), and on a strong brand;
- **an ability to innovate,** particularly
  - its Campus for Science and Techniques (CST), which designs and develops products and technologies that meet the challenges of the energy transition and new practices;
  - "Mobility by Colas" is a mobility services activator which is developing a digital offering for new technologies and services
- **vertical integration,** with an international network of 3,000 sites producing and recycling construction materials (aggregates, bitumen emulsions, asphalt mixes, etc.), as well as bitumen plants, which give the company control over the value chain upstream, especially its environmental impacts;
- **a decentralised organisation,** with a network of 800 profit centres around the world staffed by long-standing local teams accustomed to local particularities and used to working on the small upkeep and development projects which account for most of the over 60,000 projects completed each year. A special division, Colas Projects, also supports subsidiaries in the design and construction of major projects;
- **a robust financial structure** and an ability to generate cash flow, enabling Colas to pursue further growth by continuing to invest in targeted assets.

Market position

Roads: in mainland France, Colas is a leading player on a par with Eurovia (Vinci group) and Eiffage Travaux Publics (Eiffage group). It is also in competition with large nationwide French firms (NGE, Malet), regional firms (Ramery, Charrier, Pigeon) and an extensive network of small and medium-sized regional and local firms. Cement makers are competitors on the markets for aggregates and ready-mix concrete. In Road safety and signalling, its main competitors are Signature (Eurovia), Agilis (NGE), AER (Eiffage), Girod and Lacroix. Colas is also a leading player in Canada. It has prime positions in the roadbuilding sector in most of the other countries where it operates, its main competitors being local, regional or nationwide players or subsidiaries of large international firms.

Railways: Colas' main competitors in France are ETF (Eurovia), TSO (NGE), TGS (Alstom) and Eiffage Rail. In the UK, Colas Rail's main competitors are Balfour Beatty, Babcock, Volker Rail, BAM and Ferrovial.

Water and energy transport: Spac's main competitors are Spiecapag, Sicim, Bonatti, Ponticelli, Endel and Eiffage Métal.

2.1.4.2 Business activity in 2020

Colas reported 2020 sales of €12.3 billion, down 10% on 2019 (down 9% like-for-like and at constant exchange rates). The decline was seen primarily in France (down 16% and down 14% like-for-like), where activity in the first half was hit by the first Covid lockdown, with sales down 24% like-for-like, compared to only -6% like-for-like in the second half. International sales held up better, with a decline of only 5% compared to 2019 (down 3% like-for-like and at constant exchange rates) to €6.7 billion. International business represented 55% of total sales versus 52% in 2019. Sales in France amounted to €5.6 billion, equivalent to 45% of the group total. Most of the €1.4 billion drop in sales over the year was linked to the health crisis (down an estimated €810 million in H1 2020) and the disposal of Smac (down €141 million).

Sales at the roads business were down 10% (down 9% like-for-like and at constant exchange rates). The France-Indian Ocean zone represents three quarters of this decline, down 14% like-for-like and at constant exchange rates. The EMEA[a] zone was not hit nearly as hard, down only 4% like-for-like and at constant exchange rates. The US saw a drop in sales of only 5% like-for-like and at constant exchange rates, while sales in Canada, helped by particularly favourable weather conditions, remained stable like-for-like and at constant exchange rates. Finally, in the Asia-Pacific zone, sales were down 15% like-for-like and at constant exchange rates. Sales of construction materials were down 10%, comparable to the decline in overall sales.

Sales in Railways and other activities were 14% lower (down 4% like-for-like and at constant exchange rates). At Colas Rail (down 3% like-for-like and at constant exchange rates), solid performances on international markets, particularly in the UK, helped to offset the decline in sales in France.

Current operating profit for 2020 was €254 million, down from €433 million in 2019, representing a drop of €179 million. This must be seen in the light of the impact of the health crisis on H1 2020 current operating profit, estimated at around -€190 million, due to a contraction of the current operating margin and unavoidable costs. The current operating margin was 2.1% in 2020 versus 3.2% in 2019, down 1.1 points.

Non-current operating charges amounted to €69m in 2020 related to the reorganization of the roads activities in France and the continued dismantling of the Dunkirk refinery site. The equivalent figure in 2019 was €28 million, mainly related to the dismantling of the Dunkirk refinery and structural adjustment costs.

Operating profit therefore amounted to €185 million versus €405 million in 2019, a decline of €220 million.

Net profit attributable to the Group amounted to €94 million in 2020 compared with €261 million in 2019, a fall of €167 million.

Roads (2020 sales: €11,073 million)

Sales were down 10% versus 2019 (down 9% like-for-like and at constant exchange rates).

(a) Europe, Middle East, Africa.

Roads mainland France/French overseas departments-Indian Ocean (2020 sales: €5,187 million)

Sales were 15% lower than in 2019 (down 14% like-for-like and at constant exchange rates).

In **mainland France,** sales were down 14% year-on-year. Sales at the road-building subsidiaries were hit hard by the Covid-19 pandemic. All works and activities shut down from the first lockdown in mid-March, followed by a gradual reopening under strict health protection measures from April, and a return to normal by June, helped by favourable weather conditions. In the wake of France's municipal elections, the volume of public tenders declined, an effect that was exacerbated by the Covid crisis. Work continued on the A10 motorway in central France and on the Grand Paris projects (the T4 and T12 Express tram lines, and on the 16 and 17 metro lines). The Roads in mainland France division was reorganised in 2020 around four operational regions covering the whole of France. These changes were introduced in preparation for the creation on 1 January 2021 of a single legal entity, Colas France, to replace the six regional road-building subsidiaries that existed previously. The aim is to promote Group-wide exchanges and enhance operational efficiency. The road safety and signalling markets where Aximum is present appeared to stabilise but remain competitive due to production overcapacity in the sector both in the Works & Services activities and the industrial activities (paint, signalling).

Sales declined 18% like-for-like and at constant exchange rates in the **French overseas departments** and in the **Indian Ocean** region. Sales in the **Caribbean-French Guiana** zone varied, with declines in Guadeloupe and Martinique, and a stable picture in French Guiana, where the partnership to build a Bus Rapid Transit (BRT) route in Cayenne was launched. On **Reunion Island,** the traditional activities of public works, civil engineering and building suffered sharp downturns caused by the Covid-19 epidemic. Work on the elevated sections of the New Coastal Road was restarted within the framework defined by the memorandum of understanding signed with the client. In **Mayotte,** sales were supported by dynamic market conditions. In **Madagascar** and **Mauritius,** by contrast, Covid-19 hit business very hard.

Roads Europe, Middle East, Africa (EMEA) (2020 sales: €2,104 million)

Sales were down 5% versus 2019 (down 4% like-for-like and at constant exchange rates).

Sales were down slightly in **Continental Europe** versus 2019 (down 3%, but down 1% like-for-like and at constant exchange rates). **Belgium** and **Switzerland** bore the brunt of the impact from the Covid-19 crisis. The subsidiaries in **Denmark, Hungary, Iceland, Poland** and the **Czech Republic** posted a good level of sales. The year was marked by the start of work on the Liège tram line and on the circuit at the BMW test centre in the Czech Republic, ongoing road-building works (the M4, M30 motorways in Hungary, the D48 road in the Czech Republic) and the handover of the M25 motorway in Hungary.

In the **British Isles, Middle East** and **Southern** and **Eastern Africa (BIMEA)** zone, sales were down 15% on 2019 (down 14% like-for-like and at constant exchange rates). Business contracted in the **United Kingdom** but benefited from consistently favourable economic conditions in **Ireland.** The political and economic environment remains challenging in the **Middle East,** where subsidiaries are integrated using the equity method. Activity in **Southern** and **Eastern Africa,** most of it industrial in nature, was down sharply.

In the **North, Central** and **Western Africa (MACAO)** zone, sales rose 1% like-for-like and at constant exchange rates; business was down slightly in **Morocco** but positive in **Ivory Coast** with the handover of la Route du Nord, and **Benin,** where activity was buoyant. Public procurement was down in **Gabon.**

Roads United States (2020 sales: €1,700 million)

Sales were down 4 % versus 2019 (down 5 % like-for-like and at constant exchange rates).

Despite the unsettled economic, social and political climate, Colas was able to keep operating in most of the states where it is present as its activity was deemed to be essential. The year was also characterised by good order intake and sustained activity in the Materials division. The transport infrastructure financing programme (the FAST Act) was extended to September 2021. The major contract to build the Los Angeles' airport taxiway P went ahead under good conditions. Colas acquired the assets of Granite Contracting LLC, an asphalt mix producer and road works specialist that operates in North and South Carolina.

Roads Canada (2020 sales: €1,731 million)

Sales were down slightly by 2% versus 2019 (stable like-for-like and at constant exchange rates).

Economic conditions varied from one territory and province to another, helped by favourable weather conditions and with only a limited impact from Covid-19. The road-building activity was up in Quebec, stable in Ontario, and down in British Columbia and Alberta. The McAsphalt bitumen distribution business, on the back of a favourable market in the east of the country (Ontario and Quebec), posted good performances. The contract to design, finance and build the westward extension to the Valley Line of the light rail transit system in Edmonton, Alberta, went to the consortium led by Colas, comprised of Colas Canada, Colas Rail Canada and Colas Projects Canada.

Roads Asia-Pacific (2020 sales: €351 million)

Sales were down 13% versus 2019 (down 15% like-for-like and at constant exchange rates).

In **Asia and Oceania,** the activity of the equity-accounted Tipco Asphalt subsidiary, which produces, distributes and sells bitumen products in Asia, was supported by a bitumen market reinvigorated by post-Covid recovery plans; in **Thailand,** the TWS subsidiary won the contract to build Bangkok Airport's third runway; in **India,** the subsidiary Hincol (also equity-accounted) maintained a good level of activity and posted solid results. Despite a market slowdown, business activity in **Australia** (roadworks and the sale of bitumen and emulsions) held up well. In **New Caledonia,** the industrial and road-building activities contracted, but the building sector activity was stable.

In **Latin America,** for its first full year of activity, Colas' road-building business was heavily impacted by the Covid-19 pandemic. In **Peru,** all works were shut down for several months. In **Chile,** the Asfalcura subsidiary increased its stake in Oil Malal, its bitumen trading subsidiary.

Railways and other activities (2020 sales: €1,209 million)

Sales by Railways and other activities were 14% lower than in 2019 (down 4% like-for-like and at constant exchange rates).

Railways

Sales were down 3% to €1,050 million like-for-like and at constant exchange rates, with international markets accounting for more than two-thirds of the total.

In **France,** business was down due to Covid-related cancellations and project postponements. The tracklaying and catenary activities nevertheless benefited from the ramp-up of two major rail network renewal and maintenance contracts, while the metro and tram line activity benefited from the start of work on the eastern section of metro Line 15 South as part of the Grand Paris project. In order to refocus Colas Rail on its core activities, the sale of the freight business was completed successfully. After the government declared the rail sector to be "essential" in the context of Covid-19, the **UK** subsidiary enjoyed a high level of activity thanks to a buoyant rail market and the ongoing CP6 contract for the Southern Rail Systems Alliance. In **Continental Europe,** Covid-19 impacted business in Q2, particularly in Belgium, Italy, Switzerland and the Czech Republic. In the **Rest of the World,** activity was lagging from country to country due to the Covid-19 crisis: the decline in activity in the Middle East-Africa zone was partially offset by upturns in South America (the Santiago metro line in Chile) and Asia (the Hanoi and Jakarta metros). Major contracts were won in two new countries for Colas Rail: Canada and Singapore.

Water and energy transport

With no major gas projects in mainland France, the Water & energy transport business posted sales of €159 million, down 12% on 2019, due largely to the Covid-19 pandemic and the postponement of the municipal elections that spanned several months.

Bitumen France – EMEA (Europe, Middle East, Africa)

In 202O, Colas created Continental Bitumen Ltd within the framework of an industrial strategy that aims to both secure the supply of bitumen and expand the bitumen distribution and trading activity to include France and the EMEA zone. At the end of 2020, in order to ensure that it has the logistical means to maintain operations, Continental Bitumen Ltd completed the purchase of two asphalt carrier cargo ships with a unit capacity of 20,000 metric tonnes. The subsidiary reported no activity in 2020.

2.1.5 Outlook for the construction businesses

In some countries where the Group's construction businesses operate, a deteriorating situation caused by Covid-19 has led governments to impose greater or less stringent protective measures, adjusted regularly as the pandemic evolves. The guidance below assumes that there will be no further deterioration due to the health crisis.

2.1.5.1 Bouygues Construction

Despite the health crisis, Bouygues Construction enjoys a number of strengths and better visibility in a market exhibiting a variety of opportunities both in France and abroad. For example:

- **orders at 31 December 2020** to be executed in 2021 worth €9.7 billion;
- **sustained international activity** in places where it has a long-standing presence and with bright economic prospects such as Germany, Canada, the UK and Switzerland, and which are highly rated by the NGO Transparency International;
- **a mid-term backlog** (to be executed between two and five years) worth €9.6 billion at 31 December 2020;
- **a sound financial structure,** backed up with high net surplus cash of €3.1 billion;
- **a lead in sustainable construction and renewable energies,** supported by a robust Climate strategy and to which the company devotes much of its R&D budget; and
- a **strong commitment to shared innovation** for the benefit of customers.

Tight control over the execution of major projects, a selective approach to orders, and innovation will continue to be central priorities for Bouygues Construction in 2021, together with protecting the health and safety of employees and project partners.

2.1.5.2 Bouygues Immobilier

The residential property market in France continues to enjoy solid fundamentals such as long-term demand and requirements. In the short term however, visibility remains low due to the repercussions of the lockdown and the municipal elections in France, which have resulted in a decline in building permit authorisations and in new housing units for sale, thus leading to a reduction in the total stock of housing units for sale in 2020.

In 2021, lack of supply will continue to have negative impacts. However, building permit issuance is expected to improve following the clarification of local urban planning policies by newly-elected municipal authorities and the possible launch of stimulus measures for the sector.

2.1.5.3 Colas

Following the decline in activity in 2020, Colas' operating units are expecting a recovery in 2021. The initial effects of the stimulus plans launched in 2020, particularly in France and the EU, should materialise in the second half of the year.

In 2021, the current operating margin should also improve versus 2020 and approach the level posted in 2019. It should primarily benefit from the cost optimisation measures adopted in 2020 as well as the operational excellence programmes currently under way in the industrial activities.

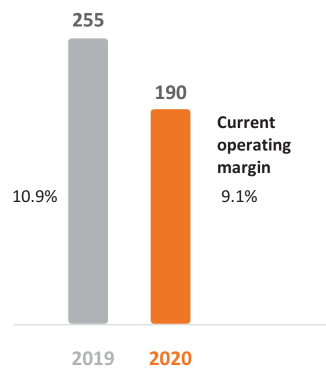
2.2 TF1, THE LEADING PRIVATE TELEVISION GROUP IN FRANCE

TF1 wants to positively inspire society by informing and entertaining as many people as possible. As France's leading media group, it provides an extensive content offer and range of associated services. The group is also an established player in the TV production and digital sectors. Furthermore, TF1 has committed to cutting its carbon footprint and raising awareness about environmental issues amongst all its viewers.

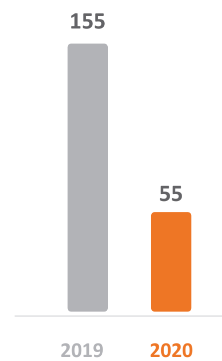
Key figures

Sales
€ million

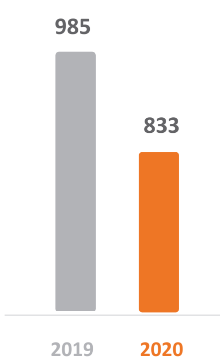
Current operating profit
€ million



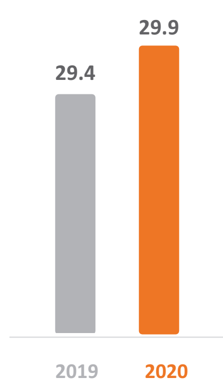
Net profit attributable to the Group
€ million



Cost of programmes at the five unencrypted channels[a]
€ million



Audience share[b] of the TF1 group
%
Individuals aged between 25 and 49



(a) TF1, TMC, TF1 Séries Films, TFX and LCI.
(b) Source: Médiamétrie annual average.

Condensed balance sheet

ASSETS

at 31 December, € million	2020	2019
Property, plant and equipment and intangible assets	558	519
Right of use of leased assets	86	94
Goodwill	786	845
Non-current financial assets and taxes	64	49
Non-current assets	**1,494**	**1,507**
Current assets	1,690	1,732
Cash and cash equivalents	179	105
Financial instruments - Hedging of debt		
Current assets	**1,869**	**1,837**
Held-for-sale assets and operations		
TOTAL ASSETS	**3,363**	**3,344**

LIABILITIES AND SHAREHOLDERS' EQUITY

at 31 December, € million	2020	2019
Shareholders' equity attributable to the Group	1,597	1,562
Non-controlling interests	(1)	2
Shareholders' equity	**1,596**	**1,564**
Non-current debt	141	200
Non-current lease obligations	71	79
Non-current provisions	55	51
Other non-current liabilities and taxes	35	47
Non-current liabilities	**302**	**377**
Current debt	35	29
Current lease obligations	21	20
Current liabilities	1,405	1,351
Overdrafts and short-term bank borrowings	4	3
Financial instruments - Hedging of debt		
Current liabilities	**1,465**	**1,403**
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,363**	**3,344**
NET DEBT (-)/NET SURPLUS CASH (+)	**(1)**	**(127)**

Condensed income statement

€ million	2020	2019
Sales	**2,082**	**2,337**
Net charges for depreciation, amortisation and impairment losses on PP&E and intangibles	(261)	(280)
Net amortisation expense on right of use of leased assets	(21)	(19)
Charges to provisions and other impairment losses, net of reversals due to utilisation	(17)	3
Other income and expenses	(1,593)	(1,786)
Current operating profit	**190**	**255**
Other operating income and expenses	(75)	
Operating profit	**115**	**255**
Cost of net debt/income from net surplus cash	(1)	(2)
Interest expense on lease obligations	(3)	(4)
Other financial income and expenses	(9)	(6)
Income tax expense	(37)	(82)
Share of net profits/losses of joint-ventures and associates	(11)	(6)
NET PROFIT	**54**	**155**
Net profit attributable to non-controlling interests	(1)	
NET PROFIT ATTRIBUTABLE TO THE GROUP	**55**	**155**

HIGHLIGHTS

BROADCASTING

- 74 of the best 100 audience ratings of 2020 over all age categories; 89 out of 100 for the 25-49 age range and 92 out of 100 for the FRDA<50[a] category
- Launch on 20 October 2020 of Salto, a French OTT[b] platform developed jointly by the TF1, France Télévisions and M6 groups
- Regulatory advances during the summer relating to addressable TV[c], cinema advertising and the restrictions on broadcasting films on television.
- In August 2020, TF1 launched a new 4K offer in order to provide its viewers with an optimum televisual experience.
- TF1 Pub teamed up with Goodeed, the pioneering socially-responsible advertising solution on digital platforms in France. Each advertising spot viewed on the web raises money for social and environmental causes

PRODUCTION

- Creation of the production company Ringside Studios with the UK producer Gub Neal and DoveTale Media (a drama development and co-production company)

(a) FRDA<50: women under 50 who are purchasing decision-makers.
(b) An Over-The-Top service.
(c) A service that delivers different advertising messages adapted to each television viewer during the same show.

2.2.1 Profile

TF1 keeps pace with the way people view and consume content (catch-up TV, enhanced services, and Salto, a subscription-based video-on-demand service). It has strengthened its presence across the entire value chain by investing in new growth-potential sectors such as content production with Newen and digital media with the acquisition in 2018 of aufeminin group. This has led to the creation of a digital division called Unify that brings together several recognised brands (aufeminin, Marmiton, My Little Paris, Doctissimo, etc.).

In a context marked by a sharp rise in TV consumption and an increased need for content triggered by the Covid-19 pandemic, TF1 was able to attract large audiences for its news programmes and flagship entertainment shows thus confirming its leadership of the French broadcasting sector.

Also, during the health crisis, TF1 made sure that all its employees and partners were able to carry out their professional duties in accordance with the French government's strict safety guidelines. The group continued to prioritise the health of its staff and workplace organisation whilst at the same time adjusting to the environment and ensuring business continuity.

Growth strategy and opportunities

TF1's strategy aims to:

Pursue the transformation of the unencrypted TV model

TF1 offers a unique range of unencrypted and pay-TV content and services responding to the new ways that people consume media. While linear content[a] continues to account for most consumption, "non-linear" content (catch-up TV, etc.) is growing significantly.

In an increasingly competitive environment, TF1's five unencrypted channels[b] remain as popular as ever, with 50 million French people watching them every week, up four million compared to 2019. This large audience share results from the group's expertise in understanding viewer expectations and its ability to offer high-quality content at the right time and for a broad viewership.

TF1 monetises this powerful content distribution with advertisers and offers them immediate brand value creation, backed up using new advertising and data technologies. For example, TF1 is working actively on introducing addressable television shortly, in which different advertising messages adapted to each television viewer are delivered during the same show.

TF1's business model is changing towards that of a content provider over all platforms (broadcast, digital) and for all types of consumption (linear, catch-up, SVOD). TF1 has successfully adapted its core business model through:

- the launch in October 2020 of **Salto,** a Subscription-Video-On-Demand service created in partnership with France Télévisions and M6;
- **confirming the leadership** of its catch-up TV platform MYTF1, following its revamp in 2019;
- the **monetisation of its additional content** and **services** with telecoms operators and Canal+, and;
- the **design of innovative commercial offers** that pre-empt media convergence.

Consolidate its position in production and accelerate its growth in digital media

TF1's transformation will also be achieved through the diversification of its business models via its production and digital media activities, which are both sources of value creation.

Production

TF1 is drawing on Newen, which has recognised expertise:

- **across all genres,** from drama to animation, and;
- **across all ranges,** from big-budget productions, especially for SVOD platforms, to controlled-budget productions, thanks to its pool of independent producers and talents.

Newen's backlog remained at a high level in 2020 thanks to the diversification of its customer base and its continued international expansion, following the acquisition of De Mensen studios in Belgium and Reel One in Canada in 2019.

Digital media

TF1's Unify division enables it to:

- **provide an additional offer** based on web-origin content via recognised brands able to engage active communities, and;
- **strengthen its offering for advertisers** to regain value in a growing digital advertising market via the launch of the media sales unit Unify Advertising.

Close-up on the Climate strategy

TF1 is more than ever before committed to its Corporate Social Responsibility (CSR) policy as demonstrated by the launch of its climate strategy in December 2020, which is based on three priority areas:

- **the reduction of the carbon impact of its activities** with a target of a 30% reduction in its carbon emissions over scopes 1, 2 and 3a by 2030 versus 2019[c];
- **supporting customers** to integrate these environmental targets into their advertising campaigns; and
- **contributing to the low-carbon transition** through its content.

Furthermore, TF1 underlines its socially and environmentally responsible stance by **promoting positive initiatives** in TF1/LCI news output or by expanding programming around the Ushuaïa brand.

(a) Content is viewed at the time of its broadcast in contrast to other ways of consumption (Catch-up TV, OTT, etc.) where viewers are not restricted to a specific fixed broadcasting time.
(b) TF1, TMC, TFX, TF1 Séries Films and LCI.
(c) The scope of the carbon audit is published in TF1's Universal Registration Document available at www.groupe-tf1.fr (point 4.3.1). The reduction targets are given for this same scope.

Strengths and assets

The overall offering of TF1 gives it robust assets:

- a **unique position** in the French broadcasting sector through its five complementary unencrypted TV channels, including TF1, the go-to brand in France;
- **large audiences** spanning much of the population;
- **powerful brands** with heightened visibility through many combinations of TV and digital media;
- **unique exposure opportunities** for advertisers across all platforms;
- **recognised expertise in the production** of TV content with Newen and in distribution, both in France and worldwide;
- **expertise in the creation and moderation of powerful brand communities** and in digital advertising thanks to strong-potential technologies, and;
- a **robust financial structure.**

Market position

Television

In 2020, daily TV viewing time[a] remained at a high level of 3h 54m for "individuals aged four and over", up 24 minutes year-on-year. Since April 2020, this data includes mobile consumption on PCs, tablets, smartphones or out of the home and underlines the renewed interest amongst the French public for television during the health crisis as a result of the partial reopening of entertainment activities and the persistence of certain restrictions.

In a French DTT market comprising 27 unencrypted channels, TF1 airs, in addition to its leading TV channel TF1, a multi-channel offering comprising TMC, TFX, TF1 Séries Films and LCI. It competes with state-owned channels, and private groups such as M6 (M6, W9, 6Ter, Gulli), the Canal+ group (Canal+, C8, CStar, Cnews), Altice (BFM TV, RMC Découverte, RMC Story) and NRJ (NRJ12, Chérie 25).

It remains the most powerful private player, with an audience share of 26.8%[b] in 2020 versus 14.6%[c] for its main private-sector rival.

In the advertising market, the TF1 group also competes against the press, radio, web, billboard and cinema media. TF1 Pub, the TF1 group's advertising sales agency, is also present in the radio and web advertising market.

Furthermore, TF1 is confronted with the arrival of global web players in the broadcasting sector. It is appealing to the authorities to introduce fairer competition rules.

To keep pace with new content viewing behaviour, TF1 also launched on 20 October 2020 the French OTT platform Salto, developed jointly with the France Télévisions and M6 groups.

Production

TF1 boasts a long-standing presence in TV content mainly through the sales of rights catalogues and the coproduction of films. In response to increasing demand in recent years in the television content market, as well as the concentration of business in the hands of players such as Banijay, ITV Studios and Mediawan, TF1 acquired the production company Newen, wholly-owned since July 2018.

Digital media

The Unify division brings all the group's web activities under one umbrella. It proposes a complementary internet-based offering to the TV channels. Based on web content, it boosts the range of products and services aimed at advertisers via three main activities:

- the production of digital content (aufeminin, Marmiton, Doctissimo, etc.);
- expertise to help advertisers boost the effectiveness of their campaigns (Gamned!) ; and community e-commerce. (My Little Paris, Gambettes Box, Beautiful Box); and
- community e-commerce (My Little Paris, Gambettes Box, Beautiful Box).

2.2.2 Business activity in 2020

As 2020 unfolded, TF1 demonstrated a real ability to adapt, accelerating the transformation of its business model, both in the core business and in digital activities and content production.

2020 results

Sales and current operating profit were down in an economic climate marked by the Covid-19 crisis.

The TF1 group posted consolidated sales of €2.1 billion in 2020, down €256 million (-11%) versus 2019, due to:

- a €162 million year-on-year fall in sales in the Broadcasting sector, resulting from a sharp decline in advertising revenue, mainly in the second quarter. The drop was partially offset by an upturn in spending by advertisers in Q3 and Q4 of 2020;
- an €81 million decline in sales in the Studios & Entertainment segment, which was due to the shutdown of most of the filming at Newen studios in April and the postponement, or even cancellation, of shows and musical projects in the Entertainment sector; and
- In the digital sector, Unify posted a €13 million decline in sales compared to 2019, caused by a drop in advertising spend.

(a) The sum of live + timeshifted + catch-up TV. Source: Médiamétrie
(b) Médiamat by Médiamétrie (consolidated 2020 average). Individuals aged 4 and over.
(c) M6, which includes Gulli's audience figures since September 2019.

The €256 million decline in annual sales was attributable to the Covid-19 crisis, which is estimated to have caused a €250 million shortfall in the first half.

The TF1 group posted current operating profit of €190 million in 2020, down €65 million. This decline can also be put entirely down to the health crisis, which had an estimated first-half impact of -€100 million. This performance underlines the TF1 group's ability to adapt its cost structure in order to offset a significant part of the decline in advertising revenue. The current operating margin came to 9.1%, compared with 10.9% in 2009.

The TF1 group posted an operating profit of €115 million. This includes the write-down of intangible assets at the Unify division for €75 million.

Net profit attributable to the Group amounted to €55 million in 2020.

Results by business activity

Broadcasting

Sales for the Broadcasting sector came out at €1,613 million, down €162 million year-on-year. This decline was due to the year-on-year drop in advertising revenue, particularly in Q2, as the Covid crisis began to weigh on the economy. The downturn, which impacted the group's five unencrypted channels, was partially offset by a pick-up in ad spending in Q3 and Q4. At e-TF1[a] sales grew, thanks in particular to interactivity revenue.

Programming costs for the five unencrypted channels amounted to €833 million in 2020, down €152 million year-on-year, underlining the group's ability to adjust costs in order to offset a significant portion of the drop in advertising revenue.

Current operating profit for the Broadcasting sector was €163 million, a year-on-year decrease of €23 million. The current operating margin slipped to 10.1%, down from 10.5% in 2019.

Studios and Entertainment

The Studios and Entertainment sector posted sales of €309 million in 2020, down €81 million versus 2019. Newen's activity was hit in the second quarter when the Covid crisis caused the suspension of all filming. However, this was able to recommence normally from mid-May. At year-end, Newen's total order book amounted to over 1,600 hours of content[b].

Due to the long-term nature of the health protection measures imposed by the government, TF1 Entertainment was impacted by the postponement, or even cancellation, of shows and musical projects throughout the rest of the year.

This sector posted current operating profit of €31 million in 2020, down €27 million year-on-year.

Digital (Unify)

Sales at the digital division (Unify) totalled €160 million, down €13 million, due primarily to the drop in ad revenue. The e-commerce activity (subscription box sales) was stable.

Unify posted a current operating loss of €4 million in 2020, down €16 million. This result was impacted in particular by the costs stemming from the reorganisation of this division (including the launch of a single advertising sales unit, the merging of teams, the recruitment of new talent and rebranding).

A healthy financial situation

Shareholder's equity attributable to the TF1 group stood at €1,597 million at 31 December 2020 out of total assets of €3,363 million.

Net debt was €1 million at end-2020, down from €127 million a year earlier.

In December 2020, Standard & Poor's changed its stable outlook on TF1's BBB+ credit rating to negative outlook.

Business review in 2020

The benchmark television offering in France

In a climate marked by renewed interest in watching televisions due in large part to the Covid lockdowns, TF1 remained the leading[c] private television group in France in 2020, with a combined share of 32.4 % (down 0.2 points year-on-year) of the target audience of women aged under 50 who are purchasing decision-makers and of 29.9% amongst individuals aged 25-49 (up 0.5 points).

The TF1 TV channel confirmed its leadership position and its unique ability to attract all audiences across all programme categories. It thereby scored 74 of the 100 biggest audiences of the year among the individuals aged 4 years and over age group and 92 of the top 100 audiences among the target audience of women aged under 50 who are purchasing decision-makers. In addition to its comfortable lead in news programming, TF1 distinguished itself through successful risk-taking, especially in French drama (*Pourquoi je vis, Ici tout commence*), the semi-finals and the final of the UEFA Champions League, a strong cinema offering to entertain a French population under lockdown and the new entertainment show *District Z*.

The group's DTT channels (TMC, TFX, TF1 Séries Films, LCI) attracted a combined 10.6% share of the target audience of women under 50 who are purchasing decision-makers, which was stable year-on-year. TMC confirmed its position as the leading DTT channel. The channel had a successful year with its target audiences, attracting 4.2% of the 25-49 age group (down 0.2 points), thanks in particular to solid performances by the *Quotidien* and *Burger Quiz* shows. TFX once again ranked as the number-three DTT channel with individuals aged 15-24 thanks to reality-TV shows. TF1 Séries Films attracted 2.7% of women aged under 50 who are purchasing decision-makers, its best year ever in that target audience, in constant growth since 2017. Lastly, LCI cemented its place as France's number-three rolling news channel, with an average annual audience share of 1.2%[d] (up 0.2 pts year-on-year).

(a) myTF1 + Interactivity.
(b) Number of hours in backlog, net of hours delivered at 31 December 2020 (projects worth over €1 million and not including Reel One, acquired in the fourth quarter of 2019).
(c) Source: Médiamétrie.
(d) Individuals aged 4 and over.

Strong growth in the digital business

MYTF1 combines content from the group's five channels in non-linear[a] format and a free (with advertising) video on demand offer, along with an upgraded viewing experience. It posted a record year with two billion videos viewed, for a 10% year-on-year increase.

In 2020, the group's Total Video offer saw the addition of the VOD platform, Salto, launched at end-October. Created by TF1, France Télévisions and M6, this OTT platform offers enhanced content, complete series, some of which are exclusive, cinema, documentaries, children's programmes, live output from the channels of the three partner groups, as well as content never previously seen in France such as the series *They were ten* and the dramas *Exit* and *Evil.*

2.2.3 Outlook

The guidance below assumes that there will be no further deterioration due to the health crisis.

TF1 will benefit from a strong and diversified programming schedule in 2021, which includes drama, entertainment and the Euro 2021 soccer tournament. In a macroeconomic and health context that remains uncertain, TF1 will leverage its adaptability to:

- manage as best as possible the impact of economic fluctuations on Broadcasting;
- grow Newen's activity *in international markets*, by generating a significant share of its 2021 sales outside France, and with the platforms, by increasing its backlog with pure players; and
- refocus the Unify division, strengthening its brands and generating synergies to boost sales and achieve a positive current operating margin in 2021.

(a) Alternative ways of TV consumption (catch-up TV, OTT, etc.) where viewers are not restricted to a specific fixed broadcasting time.

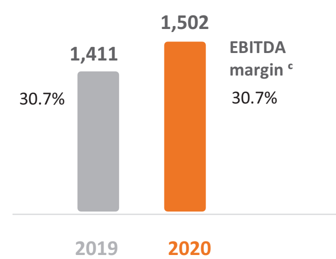
2.3 BOUYGUES TELECOM, BRINGING PEOPLE TOGETHER MORE EASILY

Bouygues Telecom is a major player in the French telecommunications market and, for the last 25 years, has been providing the best technology to make its customer's digital lives richer and more intense. Its vocation is to provide high-quality networks, products and services adapted to the needs and expectations of its 25 million[a] customers with the aim of bringing them closer to their friends and family. As a socially-responsible player, Bouygues Telecom facilitates access to high-quality digital services for all, whilst keeping a tight rein on the impacts generated by its activity.

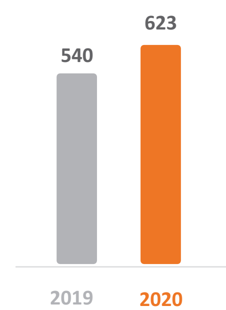
Key figures

Sales
€ million

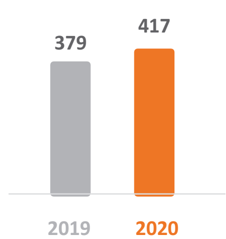
EBITDA after Leases[b]
€ million



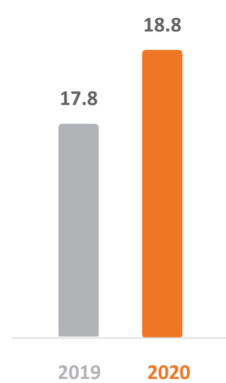
Current operating profit
€ million



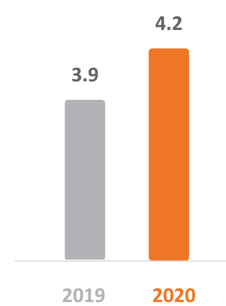
Net profit attributable to the Group
€ million



Mobile customers
millions, at end-December



Fixed customers
millions, at end-December



(a) Includes 2.1 million customers from EIT.
(b) See Glossary in this document.
(c) EBITDA after Leases/sales from services.

Condensed balance sheet

ASSETS

at 31 December, € million	2020	2019 restated[a]
Property, plant and equipment and intangible assets	6,226	5,392
Right of use of leased assets	910	953
Goodwill	835	79
Non-current financial assets and taxes	309	12
Non-current assets	**8,280**	**6,436**
Current assets	2,993	2,483
Cash and cash equivalents	70	47
Financial instruments - Hedging of debt		
Current assets	**3,063**	**2,530**
Held-for-sale assets and operations	41	
TOTAL ASSETS	**11,384**	**8,966**

LIABILITIES AND SHAREHOLDERS' EQUITY

at 31 December, € million	2020	2019 restated[a]
Shareholders' equity attributable to the Group	4,565	3,831
Non-controlling interests		
Shareholders' equity	**4,565**	**3,831**
Non-current debt	1,561	1,423
Non-current lease obligations	733	784
Non-current provisions	284	279
Other non-current liabilities and taxes	111	171
Non-current liabilities	**2,689**	**2,657**
Current debt	249	78
Current lease obligations	160	142
Current liabilities	3,721	2,258
Overdrafts and short-term bank borrowings		
Financial instruments - Hedging of debt		
Current liabilities	**4,130**	**2,478**
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,384**	**8,966**
NET DEBT (-)/NET SURPLUS CASH (+)	**(1,740)**	**(1,454)**

(a) The balance lease obligations at 31 December 2019 have been restated to reflect the effects of the conclusions of the IFRS Interpretations Committee on lease terms.

Condensed income statement

€ million	2020	2019
Sales	**6,438**	**6,058**
Net charges for depreciation, amortisation and impairment losses on PP&E and intangibles	(891)	(867)
Net amortisation expense on right of use of leased assets	(136)	(124)
Charges to provisions and other impairment losses, net of reversals due to utilisation	(25)	(35)
Other income and expenses	(4,763)	(4,492)
Current operating profit	**623**	**540**
Other operating income and expenses	28	70
Operating profit	**651**	**610**
Cost of net debt/income from net surplus cash	(10)	(12)
Interest expense on lease obligations	(24)	(25)
Other financial income and expenses	(12)	(9)
Income tax expense	(173)	(185)
Share of net profits/losses of joint-ventures and associates	(15)	
NET PROFIT	**417**	**379**
Net profit attributable to non-controlling interests		
NET PROFIT ATTRIBUTABLE TO THE GROUP	**417**	**379**

(a) FTTH: Fibre-To-The-Home – FTTA: Fibre-To-The-Antenna – FTTO: Fibre-To-The-Office.

HIGHLIGHTS

ACQUISITIONS - PARTNERSHIPS

- Acquisition of the leading French alternative operator Euro-Information Telecom (EIT) and signing of a long-term distribution partnership with Crédit Mutuel
- Agreement with Phoenix Tower International for the roll-out of 4,000 mobile sites outside very dense areas
- Agreement with Vauban Infrastructure Partners in order to finance the roll-out of FTTH[a] in Orange's medium dense areas and to market the infrastructure
- Agreement with Cellnex for the nationwide roll-out of FTTA[a] and FTTO[a] infrastructure

PRODUCTS AND SERVICES - 5G

- Bouygues Telecom doubles its portfolio of frequencies following its acquisition of a 70 MHz block in the 3.5 GHz band during the 5G auction
- Its 5G network was already open in 25 French towns and cities at end-February 2021. It is targeting nationwide coverage by the end of 2021
- Launch of Bbox Smart TV, a triple-play offer that needs no TV decoder because the B.TV+ app is integrated into a Samsung connected TV
- Launch of new fixed and mobile BtoB offers

CSR

- Partnership with Samu social de Paris to provide very vulnerable families with access to digital technology
- Launch of the "Donate a gigabyte" campaign in partnership with the French Red Cross (see section 3.4 of Chapter 3 SEFP of this document)

2.3.1 Profile

2.3.1.1 Growth strategy and opportunities

In 2021, Bouygues Telecom celebrates its 25 years of existence, a period marked by a spirit of conquest and many innovations. In 1996, it marketed the first mobile phone plan and, in 1999, the first mobile phone plan with unlimited voice. In 2010, it was the first player on the market to offer a quadruple-play package (mobile, fixed, Internet and TV). And, more recently, in 2020, it unveiled a new innovative concept called “Bbox Smart TV” whereby an app integrated into the television set replaces the TV decoder.

Thanks to its successful strategy, Bouygues Telecom was one of the fastest-growing operators in the European industry over the 2015-2020 period.

This success is based on the quality of its mobile and fixed networks, the excellent value for money of its products and services, its ability to provide customers with a simple and seamless experience and the unwavering dedication of its workforce.

Leveraging these strengths, Bouygues Telecom now wants to speed up its growth on the French market which is being driven by a growing need for connectivity and two major technological breakthroughs - FTTH and 5G. Its aim is to become the N°2 telecoms operator in mobile and a major player in fibre by 2026.

Its new strategic plan, called “Ambition 2026”, draws on both the drivers that have brought Bouygues Telecom success since 2015 (“duplicate”) and on new initiatives in its various markets (“accelerate”). It has three strands:

Become the N° 2 in mobile

Bouygues Telecom wants to be recognised, by customers, as the number two mobile operator in the French market.

Bouygues Telecom is already the third ranked mobile operator in France in terms of market share due to the integration of EIT (Euro-Information Telecom) on 31 December 2020 and its customer base of 2.1 million.

The long-term distribution partnership signed with Crédit Mutuel will provide the benefits of the latter’s complementary network of 4,200 local bank branches which will distribute the mobile and fixed products and services of Bouygues Telecom. This will shore up the operator’s pre-existing network of over 500 stores.

Bouygues Telecom also wants to maintain its number two mobile operator ranking[a] for network quality and quadruple its network capacity by 2026. The priority is to roll out a reliable 5G network whilst maintaining the excellent quality of its 4G network. To this end, it intends to boost its coverage and expand its portfolio of frequencies:

- At 31 December 2020, Bouygues Telecom covered over 99% of the French population with 4G from nearly 21,000 mobile sites. Furthermore, on 1 December 2020, it opened its 5G network and, at end-February 2021, covered 25 French towns and cities and over 1,000 municipalities. It is aiming for nationwide coverage by the end of 2021. Accordingly, it is planning to increase its coverage to over 28,000 sites by the end of 2023 and to 35,000 sites by the end of 2026;
- In October 2020, following the 5G auction in France, it acquired a 70 MHz block of frequencies in the 3.5 GHz band at a reasonable price of €602 million. It was thus able to double its portfolio of frequencies and now possesses nearly a quarter of the available spectrum in France. The operator’s expertise in network infrastructure enables it to aggregate its frequency bands to offer even faster speeds and improved quality of service.

Finally, Bouygues Telecom will leverage the repositioning of its brand “We are made to be together”, carried out in 2020, and continue the “more for more” value creation strategy successfully rolled out over the last three years (a gradual increase in average prices in return for more generous products and services).

Gain an additional 3 million FTTH customers

Bouygues Telecom is speeding up the roll-out of fibre in a context marked by a sharp increase in demand from both BtoC and BtoB customers. FTTH is redrawing the landscape on the French market and offers opportunities for market share gain. Bouygues Telecom is therefore aiming for an additional three million extra FTTH customers by the end of 2026 versus end-2020.

It is planning to double its FTTH coverage from 17.7 million premises marketed at end-December 2020 to 35 million by the end of 2026, with an intermediate milestone of 27 million in 2022.

It will leverage its direct investments and partnerships to achieve this goal. In addition to the investment already carried out that covers half the very dense area, Bouygues Telecom will also have access to the 3.4 million premises connected by CityFast by the end of 2021 on the other half of that area. In the medium dense area, it will benefit from its partnership with Vauban Infrastructure Partners, and, in the PIN (Public Initiative Network) area, from agreements signed with local operators.

Furthermore, Bouygues Telecom will both continue its “value for money” strategy to attract new customers thanks to its competitive offers and its “more for more” strategy in order to boost its ABPU[b].

Double the market share in fixed BtoB and become a wholesale fixed player

As the third ranked operator in the BtoB market, Bouygues Telecom wants to ramp up its growth, particularly in fixed. It aims to increase its market share in fixed BtoB by five percentage points. To achieve this, it will:

- consolidate its position as a benchmark in customer relations in BtoB;
- leverage its a multi-channel distribution network, which has been considerably boosted since the acquisition of Keyyo and Nerim and the signing of the long-term distribution agreement with Crédit Mutuel-CIC, whose network has a strong SME customer base; and
- monetize its FTTO and FTTA infrastructure.

Finally, in order to be a top-notch connectivity operator with enhanced products and services in BtoB, Bouygues Telecom is also drawing on strategic partnerships. For example, it has recently announced a collaboration with Accenture and IBM in order to support BtoB customers with co-innovation around 5G technology.

In addition, Bouygues Telecom is expanding its fixed wholesale offer by capitalising on its expertise and leadership in mobile wholesale and on the rapid roll-out of its FTTO and FTTA infrastructure (agreement signed with Cellnex in February 2020).

(a) Survey by Arcep (the French telecoms regulator), December 2020.
(b) Average Billing Per User (see Glossary in this document).

2.3.1.2 Close-up on the Climate strategy

Aware of the impact of its activities on the environment, tight control over the consumption of raw materials forms a major part of Bouygues Telecom's environmental policy. Accordingly, the operator has calculated its carbon footprint since 2007. It is also the first French operator to have committed to refurbishing mobile phones back in 2011.

Amid a sharp increase in customer usage, Bouygues Telecom has devised a **2020-2030 Climate plan** based on the trajectory outlined by the Paris Agreement that includes **three targets for 2030.**

Targets

- **a 50% reduction** in carbon emissions from its own activities (scopes 1 and 2) **versus 2020;**
- **a 30% reduction** in carbon emissions (scopes 3a and 3b) **versus 2020** by enlisting the support of its eco-system; and
- **at least 50%** renewable energies.

Action plan

In order to achieve these ambitious targets, Bouygues Telecom is bolstering its current initiatives and is introducing new ones under the slogan "*Agir Ensemble*" (working together):

- working together to make installations more energy efficient:
  - massive use of renewable energies,
  - more energy-efficient Bouygues Telecom facilities;
- working together for more sustainable products and services:
  - the design and sale of smaller-scale products and reduced packaging,
  - the optimisation of the mobile handset life-cycle through the introduction of the 4R's initiative: repair, recover, refurbish and recycle,
  - the roll-out of network equipment and the sale of routers that are more environmentally-friendly and that have extended life-cycles;
  - work with suppliers to reduce the environmental impact of purchasing;
- working together for more responsible use:
  - encourage digital sobriety amongst customers,
  - use digital technology to "decarbonise" other sectors.

The focus is on collective action to involve the entire eco-system: employees, customers, suppliers and partners.

2.3.1.3 Strengths and assets

Dedicated employees

The dedication of its workforce is a major driver for ramping up Bouygues Telecom's growth and achieving its ambitions. According to the employee perception survey of May 2019, 97% of employees said they were prepared to "give their best effort for the company" and 94% said that they were "proud to belong" to the company.

Competitively-priced, high-quality offers

Bouygues Telecom addresses both segments of the French mobile market with its products and services. It sells its "Sensation" plans on the premium segment and its "B&You" plans on the SIM-only/no minimum term segment. 4G, and now 5G, plans include generous data allowances that satisfy customer requirements and are supported by a high-quality network.

In fixed, Bouygues Telecom provides the best value-for-money in the market on both ADSL and FTTH networks, and offers a "Keep Connected" guarantee to customers.

In the BtoB segment, in addition to mobile and fixed offers, Bouygues Telecom markets an extensive range of security, digital and cloud products and services.

Excellent quality mobile and fixed networks

The high-quality nationwide coverage of the Bouygues Telecom 4G and 5G networks gives the company a long-term competitive advantage, enabling it to stand out in an extremely competitive market. In 2020, and for the seventh year running, French telecoms regulator Arcep ranked Bouygues Telecom the second best mobile telecommunications operator for voice, text and data services across the whole of France.

2.3.1.4 Market position

Bouygues Telecom only operates in mainland France.

- In a French mobile[a] market that totalled 98 million SIM cards at end-2020, Bouygues Telecom is ranked third with 18.8 million customers, behind Orange and the SFR group, but ahead of Free Mobile and the MVNOs[b]. Bouygues Telecom had a 19.2% share of the mobile market at end-2020, 0.5 points higher than at end-2019.
- In a French fixed broadband market with 30.6 million customers at end-2020, Bouygues Telecom ranked fourth with 4.2 million customers. Bouygues Telecom had 13.6% of the French fixed broadband market at end-2020, 0.4 points more than at end-2019, and 14.3% of the very-high-speed market at end-2020, up 1.3 points year-on-year.

(a) Most recent data published by Arcep (the French telecoms regulator). "Mainland France" scope for the mobile market. "Mainland France and French overseas departments" scope for fixed broadband (the fixed broadband market includes very-high-speed). Very-high-speed: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s. (Arcep definition); calculated excluding EIT.

(b) Mobile Virtual Network Operators.

2.3.2 Business activity in 2020

In 2020, Bouygues Telecom successfully continued its strategy in mobile and fixed and accelerated its development, resulting in very good commercial and financial performances despite the Covid-19 pandemic. In the midst of this health crisis, Bouygues Telecom was more than ever focused on the needs of its customers, demonstrating its ability to maintain the quality and reliability of its networks as usage of its services surged.

2.3.2.1 Business review

The French mobile[a] and fixed broadband market[b]

In 2020, competitive pressure remained high in both mobile – especially for SIM only/Web only offers – and in fixed. Pressure from promotional offers in both segments nevertheless eased compared with previous years.

As the health crisis unfolded, the changes underway on the French telecoms market gathered pace. In both fixed and mobile, the increasing demand for very-high-speed services was confirmed, as shown by the growing requirement from customers for high network quality and more generous data packages. In the fourth quarter of 2020 the mainland France mobile phone market totalled 75.5 million SIM cards, excluding MtoM[c]. The market continued to expand, increasing by 1.3% versus the fourth quarter of 2019, thanks to a 2.7% increase in the number of plan customers. The prepaid market contracted by a further 10.6% versus Q4 2019.

MVNOs accounted for 11.6% of the total mainland France subscriber base, which was up 0.3 points versus end-2019.

The number of fixed broadband and very-high-speed subscribers reached 30.6 million in the fourth quarter of 2020 in the French fixed market, representing net growth of 800,000 subscribers year-on-year (up 2.7%), driven by the sharp acceleration in the number of very-high-speed subscribers, which rose by 22.2%.

Bouygues Telecom's commercial results in the mobile market

Mobile services

Bouygues Telecom has renewed its mobile products and services to make the customer experience simpler and more seamless. "Sensation" mobile plans are now available in stores, alone or with "Smartphone benefits". The latter enables users to buy new handsets or replace existing ones at attractive prices and with bonus options. B&You SIM-only/no minimum term plans are now available exclusively via the Web.

In June 2020, Bouygues Telecom launched several Sensation 5G plans. A total of 33 5G-compatible phones are available, in addition to a B&You 5G plan without a handset or a minimum term. A 5G option is available for subscribers to the old B&You 4G plans.

4G and 5G network roll-out

Bouygues Telecom has positioned itself as the operator of choice for people who want to take full advantage of digital technologies, any time, wherever they are. To this end, it is continuing to expand its mobile coverage throughout France. In March 2020, it concluded an agreement with Phoenix Tower International for the roll-out of 4,000 mobile sites in non-dense areas. Bouygues Telecom is the number two operator in terms of 5G sites; at end-February 2021 it had already installed over 1,885 masts covering 25 large towns and cities and over 1,000 municipalities.

Commercial performance

MOBILE CUSTOMERS

Bouygues Telecom's mobile customer base grew by 1 million customers year-on-year to 18.8 million customers[d] at end-December 2020. Bouygues Telecom gained 606,000 more mobile plan customers excluding MtoM year-on-year, giving it a total of 12.1 million at end-2020.

Bouygues Telecom's commercial results in the fixed broadband market

Fixed broadband offers

Bouygues Telecom's three fixed broadband offers each target specific customer needs, covering both ADSL and fibre services:

- a 2P offer with "Bbox Fit";
- a full 3P internet + TV + telephone offer at an attractive price with the "Bbox Must", and;
- optimum internet access coupled with the power of fibre and 4K television with the "Bbox Ultym".

In 2020, Bouygues Telecom also launched the first "Bbox Smart TV", a 3P offer without a TV decoder, which is replaced by the "B.TV+" app and integrated directly into a Samsung smart TV. The availability of customer service up to 10pm was extended to all fixed offers in order to honour the *"Available when you are"* promise. Fixed broadband customers can also request a callback from an adviser within 15 minutes or make an appointment at a store.

Furthermore, Bouygues Telecom includes the "Keep connected" promise in its fixed broadband offers which guarantees customers an internet connection at all times whilst they are waiting for their Bbox to be activated or in the event of a connection outage thanks to an additional 100 GB data allowance added to their mobile plans or by the lending of a 4G dongle.

Bouygues Telecom continued to offer quality internet access thanks to the success of its 4G Box in areas of the country where ADSL speeds are insufficient.

Roll-out of ADSL and fibre networks

Bouygues Telecom stepped up the roll-out of its directly-owned fixed infrastructure in order to provide services to as many households as possible at competitive prices and increase its share of the broadband and very-high-speed market.

Bouygues Telecom's directly-owned ADSL network covered over 18.6 million households at end-December 2020 via over 2,400 central offices.

In the very-high-speed market, Bouygues Telecom accelerated the roll-out of its directly-owned FTTH network, and signed joint investment and partnership agreements, including Public Initiative Network (PIN) agreements, totalling over 30 million premises secured at

(a) Most recent data published by Arcep (the French telecoms regulator) for the "Mainland France" scope (provisional data).
(b) Includes broadband and very-high-speed subscriptions. Latest provisional data published by Arcep.
(c) Machine to Machine (see Glossary in this document).
(d) The number of Bouygues Telecom's customers is always disclosed at the end of the period and net of cancellations, in mobile and fixed. Mobile customers do not include EIT.

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end-December 2020. At year-end 2020, nearly 17.7 million premises had been marketed in over 7,270 municipalities, and a total of 88 administrative departments in France are open for marketing.

Despite the unprecedented context of a global pandemic, Bouygues Telecom successfully completed a number of infrastructure projects:

- Project Saint-Malo, signed with Cellnex in February 2020, related to the roll-out of a nationwide optical fibre infrastructure (FTTA and FTTO);
- Project Asterix, signed with Vauban Infrastructure Partners in April 2020, related to the co-financing of an FTTH network in medium-dense areas.

Commercial performance

For the past four years, Bouygues Telecom has consistently performed well in the fixed market, posting a market share of 13.6% at end-2020. Bouygues Telecom accounted for 30.8% of overall net growth in the French fixed broadband market in 2020, attracting 246,000 new customers.

Bouygues Telecom had 4.2 million fixed broadband customers at end-December 2020, including 2.1 million very-high-speed customers, representing 50% of its base. This growth was driven by FTTH, which accounted for 604,000 new customers during the year. At end-2020 Bouygues Telecom had 1.6 million FTTH customers. FTTH now represents 38% of Bouygues Telecom's fixed broadband customer base.

Bouygues Telecom's commercial results in the BtoB market

Bouygues Telecom Entreprises ranks third in the corporate services market (SMEs, intermediate-size businesses and major accounts) with a portfolio of nearly three million customers, comprised of over 55,000 SMEs and a third of the companies listed on the CAC 40. In the last five years, the operator has won market share in both the mobile and fixed segments, thanks in part to the acquisitions of Keyyo and Nerim. In 2020 the mobile business customer base increased by 11% and the fixed customer base grew by 10%.

2.3.2.2 Financial results

Between 2015 and 2020, Bouygues Telecom maintained strong growth momentum on a French market that has stagnated in value terms. It posted average annual sales growth of 7.4% between end-2014 and 2020[a].

In 2020, the Covid-19 pandemic did not prevent Bouygues Telecom from posting a significant increase in its financial results, a testament to the resilience of its activities.

Bouygues Telecom reported sales of €6,438 million in 2020, 6% higher than the previous year. Sales from services increased 6.4% to €4,893 million. This growth reflects both the increase in the number of mobile and fixed customers and that of the ABPU. More specifically, sales from mobile services and sales from fixed services increased 5% and 11% respectively year-on-year.

The health crisis is estimated to have had a -€70 million impact on Bouygues Telecom's sales in the first half of 2020.

In the fourth quarter of 2020, mobile ABPU excluding roaming came to €20.4 per month and per customer[b], an increase of €0.70 year-on-year, and fixed ABPU was €28.6 per month and per customer, versus €27.0 in the fourth quarter of 2019.

EBITDA after Leases stood at €1,502 million, a year-on-year increase of €91 million, resulting from growth in sales from services and despite a negative roaming impact during 2020 of around €90 million. The EBITDA after Leases/sales from services margin reached 30.7% in 2020, stable year-on-year. Current operating profit reached €623 million, up €83 million year-on-year. This increase includes around €50 million linked to an improvement in arrears and a review of certain depreciation and amortisation periods. The Covid crisis is estimated to have reduced current operating profit by €20 million in first-half 2020.

Operating profit stood at €651 million, a year-on-year increase of €41 million. This includes a non-current income of €28 million in 2020 (versus €70 million in 2019), due primarily to the sale of mobile sites.

Net profit totalled €417 million, an increase of €38 million. Gross investment stood at €1,270 millionc in 2020, in line with objectives, while disposals amounted to €245 million (including €185 million related to Project Asterix and the sale of FTTH premises to the SDAIF).

Bouygues Telecom achieved its free cash flow[d] target of €254 million.

Net debt came to €1,740 million at end-2020 (includes the acquisition of EIT) versus €1,454 million in 2019.

(a) Excluding EIT.
(b) €19.8 in the fourth quarter of 2020 excl. restatements.
(c) Excluding 5G frequencies.
(d) See Glossary in this document.

2.3.3 Outlook

The guidance below assumes that there will be no further deterioration due to the health crisis.

In 2021, Bouygues Telecom will roll out the first stage of its strategic plan **"Ambition 2026",** accelerating growth in FTTH and in the mobile segment by integrating EIT. It expects:

- **organic growth** in **sales from services** estimated at **around 5%** despite the continued restrictions on travel related to the pandemic, which are having a significant impact on roaming usage;
- an **increase in EBITDA after Leases (**including EIT) of **around 5%** linked to higher expenditures related to growth acceleration in fixed and improvement in mobile network capacity; and
- **net capex of €1.3 billion** (excluding 5G frequencies) in order to keep pace with the growth in the mobile and fixed customer base and in usage.

"Ambition 2026" plan targets

The "**Ambition 2026**" plan targets to be achieved by 2026 are:

- **sales from services of more than €7 billion;**
- **EBITDA after Leases of around €2.5 billion** with **an EBITDA after Leases margin of around 35 %;** and
- **free cash flow[a] of around €600 million.**

(a) See Glossary in this document.

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2.4 BOUYGUES SA

As the parent company of a diversified group, Bouygues SA focuses mainly on directing and developing the Group and its business segments. It is the place where the decisions are taken that determine the allocation of the Group's financial resources.

KEY FIGURES

At 31 December 2020

Sales	Operating loss	Net profit
€74m	€34m	€698m

2.4.1 Internal control – Risk management – Compliance

Bouygues has made risk management one of the cornerstones of its corporate culture.

Bouygues SA, the Group's parent company, regards internal control, risk management and compliance as being among its core objectives. On its initiative, many actions have been taken in each of the five business segments over several years. They are organised around three strands:

- an Internal Control Reference Manual,
- self-assessment of the implementation of the core principles of this reference manual; and
- the mapping of major risks.

Following on from the Group's Code of Ethics, compliance is one of the key factors the Group takes into account in the conduct of its business. In close cooperation with its five business segments, in 2014 Bouygues SA produced compliance programmes relating to Anti-corruption, Competition, Financial information and securities trading, and Conflicts of interest. In September 2017, these programmes were updated and a fifth compliance programme relating to Embargoes and Export Restrictions was produced. In 2020, the Group also published a new "Gifts and invitations" policy, setting out guidance on when and how employees are permitted to offer or accept gifts and invitations in the course of their professional duties.

These programmes have been widely disseminated within the Group, under the impetus of the Board of Directors and the Ethics, CSR and Patronage Committee (see section 3.4.4.1 of this document).

2.4.2 Management

Bouygues SA pays particular attention to management of the Group, taking steps to encourage dialogue and exchanges of experience between support structures and business segments, to motivate staff and to uphold a shared commitment to the Group's values. This synergy is especially visible in the initiatives taken within the field of innovation (see section 1.1.4 of this document) or in relation to CSR (see Chapter 3).

2.4.3 Governance

The Bouygues Board of Directors at its meeting of 17 February 2021 decided, on a proposal from Martin Bouygues and after consulting the Selection and Remuneration Committee, to separate the functions of Chairman and Chief Executive Officer. Martin Bouygues is Chairman of the Board of the Bouygues group and Olivier Roussat has been appointed Chief Executive Officer. Two new Deputy Chief Executive Officers, Edward Bouygues and Pascal Grangé, have been appointed to assist him in his duties.

2.4.4 Employee share ownership

Bouygues has firmly believed for a long time that it is important to give employees a stake in the Group's long-term development and performance because they play a key role in its success. In 1969, under the impetus of Francis Bouygues, the Group launched its first employee share ownership programme. For over 30 years, Bouygues has offered employees attractive savings schemes, in the form of profit-sharing, company savings plans and leveraged employee share ownership plans.

At 31 December 2020, Group employees owned 20.3% of the share capital of Bouygues and held 27.4% of its voting rights, through a number of dedicated mutual funds.

Since 1995, two representatives of employee shareholders have had seats on Bouygues' Board of Directors.

2.4.5 The shareholding in Alstom

In February 2020, Alstom announced its plan to acquire Bombardier Transport (see section 2.5.2 Acquisitions – Partnerships – Investments in this document).

Bouygues expressed its support for the deal and undertook to maintain its stake in the Alstom until the Extraordinary General Meeting called to approve it. This EGM took place on 29 October 2020.

- On 29 September 2020, taking advantage of favourable market conditions, Bouygues completed a forward sale transaction relating to 11 million Alstom shares, representing around 4.8% of Alstom's share capital, at a price of €42 per share through an accelerated book building involving qualified investors. This transaction was settled on 3 November 2020. The proceeds of this sale (€450 million, net of costs) and the related capital gain (€87 million) were booked to Bouygues' Q4 2020 results.
- On 17 November 2020, Bouygues announced the sale of a portion of its preferential subscription rights in Alstom for around €49 million through an accelerated book building reserved for qualified investors. Bouygues sold sufficient rights to enable it to fund the exercise of its remaining Alstom preferential subscription rights and thus to participate in Alstom's capital increase by way of a cash-neutral transaction.

  This transaction resulted in the recognition of a net dilution profit of around €31 million that was booked to Bouygues' Q4 2020 results. Bouygues undertook to retain its Alstom shares until 7 March 2021.
- Following the capital increases reserved to affiliates of CDPQ and Bombardier Inc completed on 29 January 2021 and the divestment by Bouygues SA of 3.23% of its equity stake in Alstom, whose settlement-delivery took place on 12 March 2021, Bouygues' stake in Alstom now stands at 3.12%.

2.4.6 Services rendered to the business segments

In addition to its role as parent company of the Group, Bouygues SA provides a range of general and expert services to the Group's business segments in areas such as finance, communication, sustainable development, patronage, new technologies, insurance, legal affairs and human resources. For that purpose, Bouygues SA and the main Group business segments renew annual agreements under which each of the latter can call on general and expert services as necessary.

The amounts invoiced for such services in 2020 are shown in section "2.4.6 Financial flows" below and in the Auditors' report on regulated agreements in Chapter 8, section 8.3.1, of this document.

2.4.7 Financial flows

FY 2020 dividends

In 2020, Bouygues SA received dividends for FY 2019 totalling €807 million from its business segments as follows:

• Bouygues Construction	€325m
• Bouygues Immobilier	n/a
• Colas	€202m
• TF1	n/a
• Bouygues Telecom	€271m
• Alstom	n/a
• Other	€9m

Service agreement costs

In 2020, Bouygues SA invoiced its business segments the following amounts under shared service agreements:

• Bouygues Construction	€18m
• Bouygues Immobilier	€2.6m
• Colas	€18m
• TF1	€3m
• Bouygues Telecom	€9.3m

Trademark licence agreements

In 2020, Bouygues SA invoiced its business segments the following amounts under trademark licence agreements:

• Bouygues Construction	€500,000
• Bouygues Immobilier	€250,000
• Bouygues Telecom	€700,000

Flows of funds between the business segments

There are no significant flows of funds between the Bouygues group's business segments. Cash management is centralised within financial subsidiaries wholly owned by Bouygues SA. This arrangement ensures optimum management of financial expenses, since the surplus cash generated by certain subsidiaries can be used in addition to or in place of confirmed lines of credit granted by credit institutions to others. When investing surplus cash, Bouygues has always avoided speculative instruments such as securitisation vehicles and high-yield mutual funds.

2.4.8 R&D - Human resources

See chapters 1 and 3 of this document.

2.4.9 Other activities

2.4.9.1 Bouygues Europe

Since April 2012 Bouygues Europe, a wholly-owned Belgian subsidiary of Bouygues, has represented the Group's interests within European institutions. Bouygues Europe works for both Bouygues SA and its business segments, advising them and representing them in the European institutions as well as monitoring legislation and regulation on issues of key importance to Group companies. In order to guide its action, Bouygues Europe has set up an advisory committee comprising a representative from Bouygues SA and from each of the Group's five main business segments.

2.4.9.2 Bouygues Asia

Bouygues Asia KK, a wholly-owned subsidiary of Bouygues SA set up in Tokyo in 2014, is tasked with keeping abreast of technological advances, organising field trips and identifying partners that could collaborate with either Bouygues SA or its business segments. Bouygues Asia's activity is consistent with the Bouygues group's aims of:

- identifying new trends;
- promoting innovation within the Group; and
- supporting Group companies by creating and growing partnerships in Asia.

The activities of Bouygues Asia cover a very wide geographical area that includes China, South Korea, Japan and Taiwan. Bouygues Asia also offers its assistance and services to customers outside the Group, in particular French SMEs wishing to set up or develop further in Asia.

2.4.9.3 Bouygues Développement

Bouygues fully owns the Open Innovation company Bouygues Développement. Serving all the Group's business segments, the company's main tasks are to:

- benchmark innovative start-ups working in fields identified by the business segments;
- set up investor pools;
- provide recommendations and advice on investment opportunities;
- coordinate networks of financial partners; and
- support the management of equity interests (governance, entrepreneur coaching, etc.).

2.4.9.4 C2S

C2S is an IT services company that is a fully-owned subsidiary of Bouygues SA. Its aim is to speed up the adoption and mass production of innovations throughout the Bouygues group and for its external customers. It is its customers' trusted partner when it comes to supporting their commercial development in fields such as smart buildings and cybersecurity. It pledges to provide a full-service offering from consultancy, via software development to operation. C2S also offers turnkey solutions for the roll-out of digital solutions at the grassroots level.

2.5 ALSTOM, LEADING THE WAY TO SUSTAINABLE AND SMART MOBILITY

The following profile describes Alstom before the integration of Bombardier Transportation on 29 January 2021.

Leading the way to greener and smarter mobility, Alstom develops and markets a complete range of equipment and services from high-speed trains, metros, trams and e-buses to integrated systems, customised services, infrastructure, signalling and digital mobility solutions.

FIGURES FOR FY 2019/2020

(from 1 April 2019 to 31 March 2020)

Sales	Adjusted operating margin	Net profit[b] attributable to the Group	Order intake
€8.2bn	7.7%[a]	€446m	€9.9bn

(a) Operating profit adjusted for the following items: net restructuring and rationalisation costs; impairment of intangible assets and property, plant and equipment; gains, losses or remeasurements arising on divestment of securities or change of control; any non-recurring item such as costs incurred or writedowns of remeasured assets in connection with a business combination, costs associated with legal proceedings outside the ordinary course of business and the share of net profits of equity-accounted operating companies

(b) Net profit from continuing operations, Group share

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At 31 December 2020, Bouygues was Alstom's largest shareholder with around 8% of the share capital, following the sale of a stake of approximately 4.8% in September 2020 (see also sections 2.4.5 and 6.1.3.2 of this document) and a cash-neutral transaction in the context of Alstom's €2-billion capital increase with preservation of preferential subscription rights, the results of which were announced on 3 December 2020.

Following the capital increases reserved to affiliates of CDPQ and Bombardier Inc completed on 29 January 2021 and the divestment by Bouygues SA of 3.23% of its equity stake in Alstom, whose settlement-delivery took place on 12 March 2021, Bouygues' stake in Alstom now stands at 3.12%.

2.5.1 Profile

2.5.1.1 Context

According to the most recent Unife[a] study published on 1 October 2020, the annual global accessible railway market for the period 2020-2022 is worth an estimated €116 billion despite the effects of lockdowns on the growth trajectory in 2020. Under Unife's preferred scenario, it is expected to grow to an annual average €126 billion over the period 2023-2025, representing an annual average growth rate of 2.3% since the period 2017-2019 (source: Unife, *World Rail Market 2020*).

2.5.1.2 The partner for mobility solutions

Alstom's business is based on four activities: Rolling stock, Systems, Signalling, and Services.

Rolling stock

Alstom's range of mobility solutions spans the entire market, from very high-speed trains (Avelia™ range) to regional solutions (Coradia™ range, Prima™ passenger locomotives) and urban transport (Aptis™ e-buses, X'Trapolis™ suburban trains, Citadis™ trams, Citadis Dualis™ tram-trains and Metropolis™ metros).

The Coradia iLint™ regional train, the first hydrogen-powered passenger train, offers operators a real alternative to diesel on non-electrified railway lines.

Systems

Infrastructure

Alongside its expertise in the execution of track, electrification and electromechanical equipment projects, Alstom develops innovative infrastructure solutions to achieve reduced costs, faster delivery or improved energy efficiency of urban transport projects.

Integrated systems

In addition, Alstom combines all the know-how accumulated by a multi-specialised train manufacturer in order to offer integrated systems able to

(a) Union des industries ferroviaires européennes/European Rail Industry Association.

manage every aspect of a railway system (trains, signalling, infrastructure and maintenance).

Signalling

Alstom provides infrastructure operators and managers with the means to carry passengers and goods safely and seamlessly, thus optimising the efficiency of urban or mainline networks. Alstom also develops passenger safety solutions and network management control centres.

Services

Alstom supports its customers throughout the lifecycle of their products by offering a range of customised services (maintenance, modernisation, parts, digital services) for their trains, infrastructure and rail control systems.

2.5.1.3 Strategy

At a Capital Markets Day on 24 June 2019, Alstom presented its ambition to be the leading global innovative player for sustainable and smart mobility and announced its new strategic plan called AiM (Alstom in Motion).

Its objectives over the period to 2023 are:

- growth by offering greater value to customers. Alstom has strong market share in all its activities in all the regions where it operates and aims to consolidate its position in each one;
- innovation in smarter and greener mobility solutions. Green and smart mobility, encouraged by customers' and passengers' expectations, is driving a technological transformation of the market;
- efficiency powered by digital. Alstom will capitalise on its worldwide presence and its industrial and engineering capacities in emerging markets, as well as on the gain in competitiveness of its new generation of products and services;
- one Alstom team with an agile, inclusive and responsible culture. In order to support the transformation of the railway sector, Alstom will pursue its environmental and social responsibility commitments in the medium term.

Social and environmental responsibility

Pursuing its climate strategy, Alstom has continued to move towards achieving the environmental targets set in the framework of the AiM strategy. It is based on four pillars:

- helping to decarbonise mobility;
- caring for people;
- creating a positive impact on society;
- acting as a responsible business partner.

Targets for 2025 include reducing the energy consumption in solutions offered to customers by 25%, sourcing all the power for the group's facilities from renewables and monitoring or assessing all suppliers against CSR or ethics and compliance standards.

On 17 November 2020, Alstom announced that it had been included in the Dow Jones Sustainability Indices (DJSI), World and Europe, for the tenth consecutive year, attesting to its leadership position in sustainable business practices. The company achieved an overall score of 78 out of 100 in the Corporate Sustainability Assessment (95% percentile) and is now one of the five best-scored companies in its industry.

On 8 December 2020, Alstom attained the highest score (A) in the 2020 annual assessment for transparency and leadership on climate issues run by global environmental non-profit CDP. This showed an improvement on the previous year's score of A-.

2.5.2 Business activity

2.5.2.1 Commercial activity

FY 2019/2020 results

Alstom took orders worth €9.9 billion between 1 April 2019 and 31 March 2020, consolidating an industry-leading backlog of €40.9 billion. Sales over the same period were €8.2 billion, giving a book-to-bill ratio of 1.2. Adjusted operating profit was €630 million, giving an adjusted operating margin of 7.7%. Net profit (from continued operations, Group share) was €446 million.

Although impacted by the Covid-19 pandemic at year-end, these results were consistent with the guidance issued during Alstom's Capital Markets Day in June 2019.

9-month 2020/21 results

Order intake in the first nine months of 2020/21 (from 1 April to 31 December 2020) amounted to €4.5 billion. Sales amounted to €5.6 billion, in line with the targeted trajectory.

The backlog at 31 December 2020 was €40.1 billion, providing strong visibility on future sales.

2.5.2.2 Highlights of the first nine months of 2020/21

- Between 1 April and 30 December 2020, Alstom won orders for metro systems in Taipei (Taiwan) and Toulouse (France). In signalling, Alstom won a contract for a new-generation digital interlocking project in France and its first mainline signalling contract in India.
- In November 2020, the board of FNM, the leading public transport operator in Lombardy (northern Italy), gave the go-ahead for Alstom to provide six hydrogen fuel-cell trains, with an option for a further eight. The order confirms the group's advance in green mobility, especially the new and promising hydrogen market.

2.5.2.3 Acquisitions – Partnerships – Investments

- On 16 September 2020, Alstom signed the purchase and sale agreement with Bombardier Inc. and Caisse de dépôt et placement du Québec (CDPQ) for the acquisition of Bombardier Transportation.
- On 29 October 2020, a combined shareholders' meeting approved all the resolutions relating to the capital increase with preservation of shareholders' preferential subscription rights, reserved capital increases and the elimination of double voting rights.
- On 7 December 2020, Alstom successfully completed a €2-billion capital increase with preservation of preferential subscription rights, achieving a subscription rate of approximately 171.4%.
- The necessary approval for the sale of Bombardier Transportation to Alstom having been obtained, the acquisition was completed on 29 January 2021. The capital increases reserved for affiliates of CDPQ and Bombardier Inc., for €2.6 billion and €500 million respectively, were carried out on the same day as part of the transaction. The reference price was established at €5.5 billion, at the bottom of the range of €5.5 billion to €5.9 billion communicated on 16 September 2020. The proceeds for the acquisition were established at €4.4 billion, which include the impact of the minimum cash adjustment mechanism based on Bombardier Transportation's negative net cash position at 31 December 2020 and other further contractual adjustments for an amount of €1.1 billion.

The enlarged group has combined pro forma sales of around €15.7 billion[a] and a combined backlog of €71.1 billion[b]. It employs 75,000 people in 70 countries worldwide.

- Alstom continued to pursue a disciplined investment and external growth policy to support its development and create value. On 30 June 2020 Alstom acquired IBRE, a French company specialising in the development, manufacture and supply of cast-iron or steel brake discs for high-speed, intercity, regional and suburban trains, trams and metros. In December 2020, Alstom finalised the acquisition of a minority stake in Cylus, an Israel-based cybersecurity specialist.

2.5.3 Outlook

Outlook for FY 2020/21[c]

In 2019/20, Alstom rolled out its Alstom in Motion (AiM) strategic plan in order to deliver sales and margin growth in line with the plan's targets.

The Covid-19 crisis has had a negative impact on financial performance in FY 2020/21. Under present circumstances, however, Alstom expects robust commercial activity in the second half of FY 2020/21 and saw output recover strongly in the second and third quarter of FY 2020/21. Assuming that the ongoing Covid-19 situation does not have a material effect on output or potential future orders[d], Alstom hopes to achieve the following targets in FY 2020/21:

- commercial performance that delivers a book-to-bill ratio above 1;
- sales between €7.6 billion and €7.9 billion;
- an adjusted operating margin in the range 7.7-8.0%; and
- breakeven to positive free cash flow generation[e].

Mid-term outlook for FY 2022/2023[f]

The outlook given in connection with the May 12, 2020 annual results announcement is confirmed. In the context of the Covid-19 crisis, the objective of a 5% average annual growth rate over the period from 2019/20 to 2022/23 should be slightly impacted by the temporary slowdown of tender activity, yet the 2022/23 objectives of 9% adjusted operating margin and of a conversion from net profit to free cash flow above 80% are confirmed.

(a) Unaudited combined pro forma sales for the 12-month period ended 31 March 2020.
(b) Calculated as the sum of Alstom's backlog at June 2020 (€41.2 billion) and Bombardier Transport's backlog at June 2020 (USD33.7 billion converted at 1.1284 EUR/USD). Bombardier Transportation's backlog has not been reviewed for methodological consistency with Alstom's.
(c) Before the integration of Bombardier Transportation.
(d) The outlook for FY 2020/21 assumes that there will be no Covid-related production slowdowns due to total or partial lockdowns affecting either Alstom or its key suppliers that would exceed the measures in place at the date of this document. It also assumes that the current health crisis will not cause a material shift in customer tendering schedules after the second half or a significant decrease in train mileage (used to calculate indexed payments under maintenance contracts) during the second half.
(e) Subject to the usual short-term volatility linked to customer down-payments and milestone payments from customers.
(f) Before integration of Bombardier Transportation.

STATEMENT ON EXTRA-FINANCIAL PERFORMANCE (SEFP)

3

3.1 THE BOUYGUES GROUP'S CORPORATE SOCIAL RESPONSIBILITY POLICY

Chapter 3 of this document contains the Bouygues group's key CSR indicators and related information. Further information is available at bouygues.com or in the CSR reports of the Group's business segments, downloadable from their respective websites[a].

3.1.1 Group CSR policy

Delivering state-of-the-art, innovative solutions for meeting sustainable development challenges, and therefore to foster progress for society as a whole, is a major avenue of growth for Bouygues. Corporate social responsibility, or CSR, at the Bouygues group also means limiting and, wherever possible, reducing the negative impacts from its activities on the environment and society by cushioning the direct and indirect impacts on ecosystems and taking the expectations of stakeholders into account.

Correspondingly, CSR is central to strategy at the Group, which is adapting its business models so that customers can be offered solutions that make life better for everyone every day.

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

The Group has for the third year running complied with the requirements of the Statement on extra-financial performance (SEFP). The SEFP is based on the transposition of the EU CSR Directive. These arrangements have superseded "Grenelle 2" legislation, which had been in force in France since 2012.

Updated in late 2019, the Bouygues group's materiality matrix prioritises its main CSR challenges based on their importance for external and internal stakeholders and their impact on its business operations. This system is also used to collate the core Group CSR challenges addressed by business segment policies, as identified by each one's materiality analysis (see below). This allows internal and external stakeholders to corroborate the importance allotted to the recognised challenges while broadening the analysis of risks and opportunities to encompass the entire value chain – from environmental, HR and social angles. Challenges are then consolidated and harmonised at Group level. More details about the method for consolidating the materiality matrix is available in the Sustainable development section on bouygues.com.

Bouygues, in its business activities, factors in the United Nations Sustainable Development Goals (SDGs) and pledges to attain them by:

- reducing the negative externalities from its business activities; and
- maximising their positive effects, mainly through internally developed solutions and best practices.

Aware of the impact of its activities on all the highlighted challenges, the Group focuses on SDGs linked to urban environments, infrastructure, climate change and sustainable economic growth, which dovetail with the objectives of its core businesses. In 2021, Bouygues is stepping up initiatives towards achieving SDGs 5, 12 and 16 in addition to 8, 9, 11 and 13 (see table below), which are deemed priorities by its stakeholders according to the results of the materiality analysis. The table cross-references the challenges shown on the matrix with the earlier assessment made of the Group's CSR challenges to highlight the seamless transition in this work.

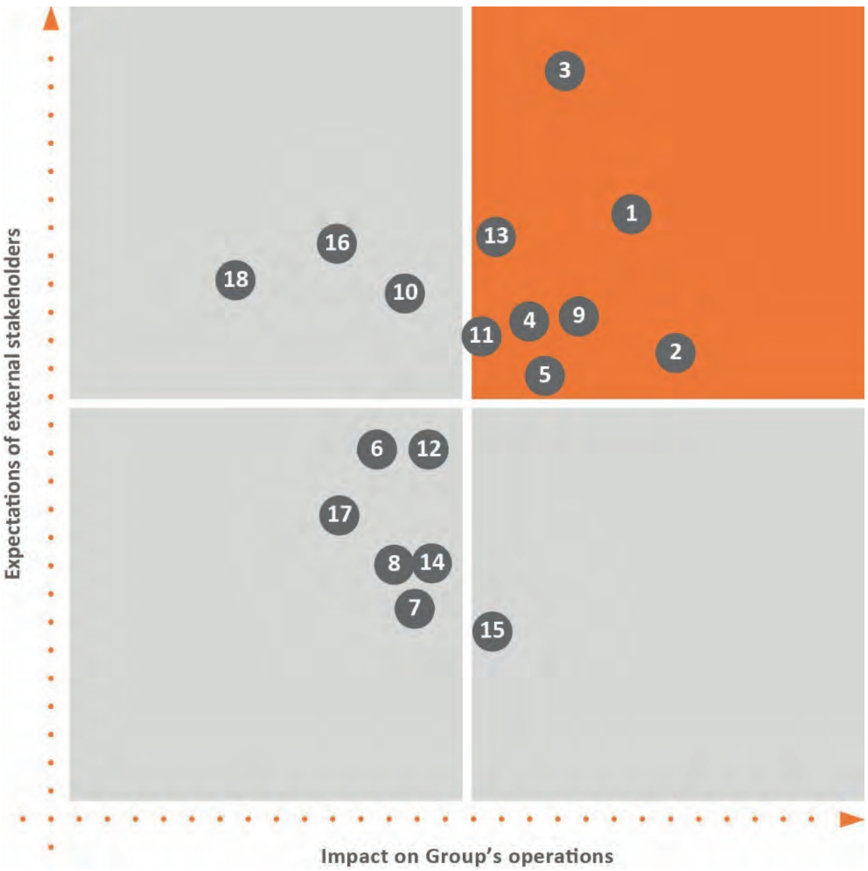
This chapter outlines some of the emblematic initiatives conducted by the Group and its business segments in the fulfilment of SDGs.

The policies and associated indicators relating to these issues are described hereafter. A table correlating the Group's most significant CSR challenges with quantitative indicators is shown in the concordance tables of this document.

(a) bouygues-construction.com, bouygues-immobilier-corporate.com, colas.com, groupe-tf1.fr and corporate.bouyguestelecom.fr

The challenges marked in bold type below correspond to the priority targets identified in the materiality matrix.

Bouygues group's materiality matrix[a]



1 Business ethics, respect for human rights and compliance
2 Climate risk
3 Quality of customer and user experience
4 Health and safety, and quality of life at work
5 The circular economy, raw materials and waste management
6 Water
7 Adjustment to climate change
8 Responsible purchasing and relations with economic partners
9 Innovation capacity
10 Impact of digital technology and integration into products and services
11 New uses and adaptability of business models
12 Health impact of products and services
13 Use of personal data and cybersecurity
14 Local presence and the socio-economic development of regions
15 Environmental impact of business activities
16 Skills and employability
17 Diversity, equality and social cohesion
18 Employee dedication and intrapreneurship

3

(a) System used to identify and prioritise CSR challenges in line with stakeholder expectations and impacts on the Group's business segments.

	Themes suggested by the matrix	Group CSR challenges arising from earlier assessments	SDG
Governance challenges Section 3.4	**Business ethics, respect for human rights and compliance (1)** Section 3.4.1	Managing business relations transparently and responsibly. Ensuring that human rights and international conventions are upheld in all decisions and relations with business partners	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Use of personal data and cybersecurity (13) Section 3.4.1	Safeguarding business data and customer/user privacy	
	Responsible purchasing and relations with economic partners (8) Section 3.4.5	Blending CSR issues into the procurement policies of French and non-French entities	8 DECENT WORK AND ECONOMIC GROWTH
Environmental challenges Section 3.3	**Climate/energy risk (2)** Section 3.3.2	Rolling out a comprehensive strategy for reducing greenhouse gas emissions and energy usage, in line with public policies	13 CLIMATE ACTION
	Adjustment to climate change (7) Section 3.3.1	Implementing a strategy of adjusting business models and products and services to climate change	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	The circular economy, raw materials and waste management (5) Section 3.3.4	Making the circular economy a driver for transforming building and communications methods	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Water (6) Paragraph 3.3.4.5	Taking the challenge of protecting fresh-water resources into consideration	
	Environmental impact of business activities (15) Section 3.3.3	Helping customers and end-users save energy and make sustainable use of resources	13 CLIMATE ACTION
Prospecting-related challenges Sections 3.3 and 3.4	Innovation capacity (9) Paragraphs 3.3.2.6, 3.4.4.3 and 3.4.5.2	Encouraging business-wide innovation through action plans	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	New uses and adaptability of business models (11) Section 3.3.2	Taking a forward-looking approach to societal changes that could affect the Group's activities to ensure agile adaptation	
	Impact of digital technology and integration into products and services (10) Paragraphs 3.3.1.3 and 3.4.2.3	Supporting customers and end-users in their digital transition while containing the impacts of these changes	
Stakeholder-related challenges Section 3.4	**Quality of customer and user experience (3)** Section 3.4.2 and paragraph 3.4.4.1	Targeting operational excellence and full satisfaction for customers and product end-users	11 SUSTAINABLE CITIES AND COMMUNITIES
	Health impact of products and services (12) Section 3.4.2	Ensuring the welfare and well-being of customers and product end-users	11 SUSTAINABLE CITIES AND COMMUNITIES
	Local presence and the socio-economic development of regions (14) Section 3.4.3 and paragraph 3.4.4.1	Boosting the local foothold of projects and creating sustainable value and sharing it with stakeholders	8 DECENT WORK AND ECONOMIC GROWTH
Human resources challenges Section 3.2	**Health and safety, and quality of life at work (4)** Section 3.1.2	Ensuring health, safety and well-being in the workplace	
	Skills and employability (16) Section 3.1.4	Supporting employees throughout their careers by addressing changes in occupational roles and skill-sets early on	
	Diversity, equality and social cohesion (17) Section 3.1.3	Attracting, recruiting and integrating employees while fighting all forms of discrimination through high-quality labour relations	5 GENDER EQUALITY
	Employee dedication and intrapreneurship (18) Section 3.1.3 and paragraph 3.4.5.2	Instigating initiatives to ensure employee buy-in within the Group and fostering a climate favourable to intrapreneurship.	

The summary above shows the extra-financial risks and opportunities across the Group's diverse array of businesses, from construction, to media, to telecommunications, as identified by the latest analysis in 2019.

3.1.2 CSR oversight

Within the Bouygues group, HR, environmental and social issues are handled separately by the subsidiaries, which are closer to the specific challenges pertaining to their operations.

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

- Set up in 2001, the Ethics, CSR and Patronage Committee meets several times annually to review these three themes on behalf of the Board of Directors. The committee is currently chaired by Anne-Marie Idrac.
- The Sustainable Development and CSR Committee, chaired by Olivier Roussat (CEO of the Bouygues group), has the Sustainable Development directors of the Group's five business segments as its members. It coordinates intra-Group policies and investigates ways in which underlying sustainable development trends can reshape business models and support innovation.
- Comprising representatives from the five business segments, the Extra-Financial and CSR Reporting Committee assists in the preparation of the Bouygues Universal Registration Document by identifying major Group-wide challenges relating to CSR, creating appropriate extra-financial indicators and collecting the relevant information. It also oversees and ensures the reliability of the data collection and consolidation process.
- In January 2020, a Group Climate Strategy committee was set up, also chaired by Olivier Roussat and comprising the Sustainable Development and CSR departments of the five business segments. The purpose of this committee is to monitor progress on action plans and track achievements in reducing greenhouse gas emissions.
- Finally, at each Bouygues group Annual General Meeting, Martin Bouygues presents the most significant sustainable development targets, actions and indicators of the previous year.

The Group Sustainable Development-Quality Safety Environment (QSE) department oversees general policy, in conjunction with support departments, and disseminates information about best practices. The above-mentioned Group-wide committees, as well as the seminars and conferences organised by this department, provide opportunities for rolling out practices able to meet sustainable development challenges.

Olivier Roussat is responsible for Group-wide sustainable development initiatives. The Group Sustainable Development-Quality Safety Environment (QSE) department works in close cooperation with all other Group departments.

Finally, all Group-wide thematic committees systematically consider sustainable development challenges in the context of their own business activities. This includes sharing industry best practices and taking into consideration the economic challenges linked to sustainable development. It can therefore be said that CSR strategy is factored in at all governance levels within the Group.

Within the Bouygues group's five business segments, coordination of CSR themes is handled in conjunction with the Human Resources and Sustainable Development/Environment departments of the business segments themselves. These departments report to:

- the Digital transformation, IT systems, Innovation and Sustainable development department (Bouygues Construction);
- the Engineering and Transformation department (Bouygues Immobilier);
- the Responsible Development and Innovation department (Colas);
- the HR and CSR department (TF1); and
- the corporate department, overseeing public relations, communications and CSR (Bouygues Telecom).

Each business segment coordinates a network of liaison officers that, for example, sit on company-wide committees. Every two years, Colas holds awareness-raising seminars for its network of Environment officers in France and abroad. In addition to the use of social networks, meetings in the field are used to share experience and implement and monitor action plans.

In the field, HR and QSE teams, as well as the whole network of operational liaison officers from the Sustainable Development teams of each business segment, spearhead the Group's CSR policies, with a focus on keeping risks under control. Each Group business segment implements its own strategy and monitors its CSR policy.

In 2020, Bouygues Immobilier released its CSR strategy, "Positive Impact", covering the 2020-2025 period. This roadmap aims to meet the major CSR challenges by minimising negative impacts on the environment (climate change, biodiversity and natural resources) and maximising positive impacts in the places where it operates through renewed business practices. The five key commitments of Bouygues Immobilier's CSR strategy enshrine the corporate policy to oversee long-term transformation of the company's business activities (see section 2.1.3 in Chapter 2 of this document).

In December 2020, at the customary winter meeting of executives from all its national markets, Colas initiated a new corporate project that places CSR at the heart of its strategy, presenting eight stakeholder commitments – notably in the areas of commercial activity, climate and biodiversity, the circular economy, interpersonal skills, procurement and business ethics.

In 2018, Bouygues Construction published its CSR roadmap, which includes clearly defined targets[a], entitled "Responsible and committed", which is integrated into its strategy and in which it refocused in 2020 its goals around 12 priorities (health & safety; exemplarity of operations; ethics; energy and carbon; biodiversity; the circular economy; responsible sourcing; fundamental human rights; diversity and quality of life at work; employability and local foothold; social responsibility; openness to society).

In 2020, Bouygues Telecom strengthened its governance of environmental matters by involving all departments in drafting a Climate strategy and an associated action plan.

(a) See also https://www.bouygues-construction.com/en/responsable-et-engage

3.1.3 CSR reporting methodology

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

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

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

The protocol specifies the methodology to be used when collecting data for the indicators of the three components, namely definition, scope, units, computation formula and contributors. It is the handbook used by all participants in the Group reporting procedure.

Coverage rates of HR reporting indicators in 2020

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

- **Global(1),** which covers 100% of the workforce. In 2020, 33.3% of indicators had this scope;
- **France (2),** which covers 51% of the workforce. In 2020, 53.3% of indicators had this scope[a];
- **Non-France companies with over 300 employees (3),** comprising 59 firms representing 42% of the Group headcount and 86.3% of the international workforce. In 2020, 6.7% of indicators had this scope; and
- **France companies and non-France companies with over 300 employees (4),** comprising 93% of the workforce. In 2020, 6.7% of indicators had this scope.

The number of reporting scopes was reduced relative to 2019. All companies acquired in 2019 were able to report their indicators. Companies acquired in 2020 provided only basic indicators.

Social and environmental reporting in 2020

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

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

Indicator coverage rate for Bouygues Construction

Companies that are fully consolidated and those in which the equity interest is 50% or more are consolidated on a 100% basis in the extra-financial reporting. In 2020, the coverage rate of Bouygues Construction's reporting is 96%. The remaining 4% is due to the following exemptions:

- companies in which the equity interest is below 50% and companies accounted for by the equity method (except for the projects of Bouygues Travaux Publics where it has formed a cooperation structure such as a construction project company in which its stake is higher than 30% – in this case Bouygues Travaux Public is consolidated in the extra-financial reporting according to the amount of its equity interest);
- companies acquired or created during the year under review;
- companies subject to specific rules defined for certain entities, such as:
  - Bouygues Bâtiment International: at the operating unit level, structures where the headcount is less than 10 and/or without a production activity are not included in the extra-financial reporting; consortium/construction project company/joint venture projects and contracts where Bouygues Bâtiment International is not the lead firm and operating and maintenance contracts are not included in the extra-financial reporting;
  - Bouygues Bâtiment France Europe: for consortium/construction project company/JV contracts with outside companies for which Bouygues Bâtiment France Europe is the lead firm, information is reported according to the stake held by the operating unit (OU). Information is not reported if Bouygues Bâtiment France Europe is not the lead firm for such projects;
  - At Bouygues Energies & Services, structures whose sales are less than €10 million are not included in the extra-financial reporting, unless the sum of the sales figures of the excluded structures exceeds 5% of the total sales figure at Bouygues Energies & Services;
  - Bouygues Travaux Publics: projects meeting the following criteria are excluded: those lasting strictly less than six months, those that have been active for less than six months, those that are more than 90%-completed by October of the previous year and those construction project company/consortium projects in which the stake is less than 30%; and
  - The Concessions division (to be consistent with financial reporting).

CSR coverage for Bouygues Construction was close to its 2018 level (98%). Kraftanlagen and InTec reported information for 2020 after not participating in 2019. Specific support was offered to include these recently acquired entities in the reporting campaign.

(a) The France scope includes French overseas territories (French Polynesia, Saint Barthélemy, Saint Martin, Saint-Pierre-et-Miquelon, and Wallis and Futuna), mainland France and the French overseas departments (Guadeloupe, French Guiana, Martinique, Mayotte and Reunion Island). Clipperton Island, the French Southern and Antarctic Lands and New Caledonia are therefore excluded.

Indicator coverage rate for Colas

Concerning the social, environmental and hazardous chemical areas, Colas indicators use a global scope that includes companies and joint ventures indiscriminately, even in cases where Colas only holds a minority stake (except for TPCO, listed on the Bangkok stock exchange). This scope also includes materials production companies with sales below €2 million even though they are not included in the financial consolidation. Data from some of the joint ventures in which Colas is the minority partner could not be included in the extra-financial reporting without this having a material impact on the published indicators.

Indicator coverage rate for Bouygues Immobilier

Environmental and social indicators cover the full scope of Bouygues Immobilier in France and abroad. In 2020, at Bouygues Immobilier, the reporting coverage rate as a proportion of sales is 95.1% when overseas subsidiaries (Belgium, Spain and Poland) are excluded. This rate drops to 88.2% when the French subsidiaries (Loticis, Wojo, Patrignani, SLC and Urbis) are also excluded.

Indicator coverage rate for TF1

Environmental indicators at TF1 do not include Newen and Unify, which represent around 38 of the employees in the TF1 group of companies.

Indicator coverage rate for Bouygues Telecom

By default, environmental and social indicators refer to the "Bouygues Telecom group" scope according to the consolidation rules. In the case of exceptions, the "Bouygues Telecom SA" scope corresponds to Bouygues Telecom without its subsidiaries.

3.1.4 Main components of the SEFP

SEFP Bouygues SA has been obliged to publish a Statement on extra-financial performance since the 2018 financial year. Colas and TF1 – though not subject to this obligation – have decided to publish their own SEFPs to provide a more detailed view of the specific profiles pertaining to their operations. This current statement outlines and ratifies the Group's entire CSR policy in keeping with the new legislation, which has four pillars (each indicated by a SEFP pictogram outside of this chapter).

- a presentation of the business model (see section 1.1 of Chapter 1);
- a summary table of the key CSR challenges for the Group's diversified business activities (see section 3.1.1);
- a presentation of policies (see sections 3.2 to 3.4 below); and
- a presentation of performance indicators (see sections 3.2 to 3.4 below).

3.2 HUMAN RESOURCES: PROMOTE EACH EMPLOYEE'S CAREER DEVELOPMENT

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

More so than ever in 2020, ensuring employees' physical and emotional well-being was a fundamental priority for the Bouygues group, which for many years has been actively cultivating a global health and safety culture. Amid the pandemic, business continuity and the success of the Bouygues group's operations were underpinned by the creativity of its teams and an ability to reinvent itself. Their dedication is therefore what drives our performance. The Group encourages this dedication by supporting career development and valuing the contribution of all staff, regardless of background, education or profession. "Promoting the career development of all employees" is the first of four pledges made by the Group in 2019 aimed at better meeting the challenges of the future.

In 2020, Bouygues obtained Top Employer certification jointly as a parent company and on behalf of Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom. Bouygues is the only French group to obtain this certification for all its business segments nationwide for three years running.

The Bouygues group operates in over 80 countries. At end-December 2020, it employed 129,018 people, spanning a wide range of business activities and expertise.

Headcount by region at 31 December 2020

Scope[a]: Global	Bouygues SA[b] and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
France	456	21,832	1,584	29,835	3,297	9,113	66,117	66,648
Europe (excl. France)	20	14076	111	9912	300	404	24,823	24,802
Africa and the Middle East	101	5,478	0	6,140	13	30	11,762	12,959
North America	0	1,059	0	7,266	72	3	8,400	8,834
Central and South America	90	470	0	676	4	0	1,240	1,436
Asia Pacific	49	15,794	0	822	11	0	16,676	15,771
International	260	36,877	111	24,816	400	437	62,901	63,802
France + International	716	58,709	1,695	54,651	3,697	9,550	129,018	130,450

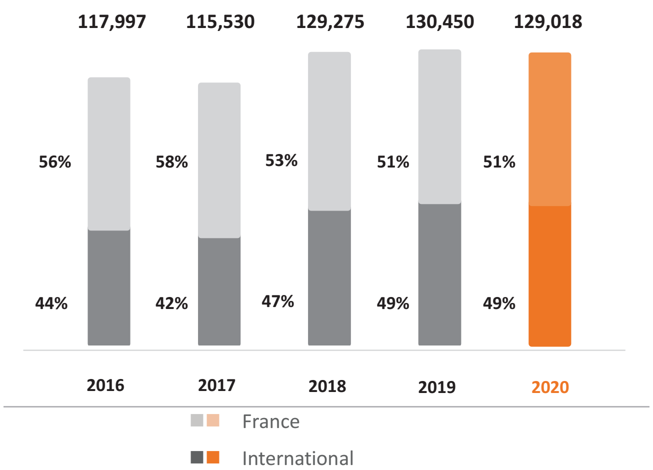
(a) Coverage rate: 100% of the Group's headcount (Scope 1)
(b) O/w Holding company: 196
Indicators available at bouygues.com: Number of temporary and occasional workers as full-time equivalents (France), Headcount by type of contract (permanent and temporary – France), Headcount by job category (France)

*The headcount dropped in 2020 because of low employee intake. Group wide, the number was 1% lower than in 2019, resulting mainly from a drop in headcount at **Colas** (down 4%). The decline was especially sharp in non-French operations, with headcount decreasing in all geographical areas except Central/South America, which sustained the uptrend seen in 2019, in conjunction with Colvias starting operations in Peru and the acquisition of Asfalcura in Chile.*

***Bouygues Construction** saw a small rise in headcount (up 1%), driven by the Asia - Pacific region – specifically Myanmar, where headcount doubled relative to 2019.*

*Headcount was also higher at **Bouygues Telecom** (up 6.9%), within the Network, Information Systems and Digital divisions, in tandem with the roll-out and marketing of fibre, and of 5G coverage.*

International headcount: trending upwards



3.2.1 People, the Group's most important resource

3.2.1.1 Basing labour relations on constant and constructive dialogue

The two priorities of the Bouygues group with respect to labour relations are ensuring high-quality exchanges with labour representatives and coordinating dialogue with employees.

Ensuring high-quality dialogue between labour and management

Trade unions and other employee representative bodies are essential for progressive labour relations within the Group. Holding constant dialogue with these bodies lays the groundwork for constructive ties. High-quality labour relations is a particularly strong point for Bouygues' business segments in their various sectors of activity.

Resources available to trade unions, in addition to those allocated by each business segment, were determined at Group level by a 2005 agreement. Employee representative bodies in the different subsidiaries are supplemented by the Group Council in France (30 representatives from various works councils and ESC around the Group) and the European Works Council (28 representatives from 14 countries). As privileged forums for meetings between union representatives and Group executives, they provide an opportunity for forthright discussions about the Group's business and financial prospects and about developments relating to jobs, HR policy, health and safety.

With such vast representation of its employees (4,014 elected representatives and 354 bodies), the Group sees high turnouts at workplace elections (84.2% in 2019 - no new elections in 2020) – far higher than in France on a nationwide level (42.76% in 2017 according to France's National Council on Labour Relations).

The Group offers a unique resource allowing employee representatives to access data in the e-library of economic and HR-related information relevant to their scope.

Because each of its businesses is so different, collective bargaining within the Group has naturally evolved by business segment so that agreements stay as close as possible to each one's requirements and limitations.

In 2020, **159** agreements were signed or renewed, underlining the dynamic labour relations within the Group. In total, **8%** of these agreements governed labour relations, **43%** remuneration, **18%** worktime arrangements, **15%** quality of life at work and diversity/gender balance, and **16**% other issues.

At Group level, four collective bargaining agreements were signed with the unanimous agreement of the trade unions, covering: emergency HR measures during Covid-19; emergency changes to the meeting schedule and operational procedures of the Group Council in 2020; amendment No. 9 to the Group savings scheme (Perco); and the creation of a retirement savings plan covering the Bouygues group.

In France, all Group subsidiaries during the second half of 2020 relied on various measures to deal with the pandemic and the resulting restrictions on public life. These included teleworking whenever feasible, encouraging employees to take paid leave during the lockdown, and sensible use of the furloughing arrangements. In some cases the company topped up salaries.

Decisions were guided by a desire to strike the right balance between the issues at hand: from safeguarding jobs and company finances to limiting the impacts on employees' purchasing power and avoiding placing too heavy a burden on the public purse.

Bouygues Construction in February 2020 signed an agreement to align the personal risk coverage (death, disability and incapacity) of site workers with the scheme covering clerical, technical & supervisory staff and managers. Under its terms, Bouygues Construction, in conjunction with Pro BTP[a], is leading the profession in this field thanks to the merits of this fair, coherent

(a) A French organisation providing complementary employee benefits for companies, craftspeople, employees, apprentices and pensioners in the construction sector.

and socially responsible system. Both employers and site workers pushed for this agreement, underpinned by high-quality labour relations.

Colas decided to implement a new organisational structure for its Roads division, merging all operations into a single company, Colas France.

The aim is to create a single legal status – from 1 January 2021 – within Colas France, formed from the amalgamation of six regional companies of Colas. Attention will also be paid to guaranteeing the competitiveness of each profit centre and the company as a whole. The agreement, still being finalised, will cover some 20,000 employees and will principally tackle the status of site workers (annualisation, working conditions, etc.) while also enhancing the position of superintendents, who are an essential cog in Colas' organisational wheel.

An agreement was signed on 6 August 2020 to pave the way for mutually agreed voluntary redundancies. This negotiated settlement is more advantageous than ordinary law provisions (i.e. statute and collective bargaining agreements). Employees had until the final quarter of 2020 to sign up to the deal. Some 460 job positions are concerned.

Coordinating dialogue with employees

The Yammer Bouygues collaborative network, available to all Bouygues group employees with a professional email address, gives them access to an open and transparent discussion forum. It can be used to stay up to date on Group news or share professional best practice within theme-based on-line communities.

The group's senior management uses this technology to communicate *en masse* with employees (see The Group's newsroom).

The five business segments also have their own collaborative networks. Because these networks all use Microsoft's Yammer software solution, adoption of this new work resource was easier for all concerned. At all the Group's locations throughout the world, widely-distributed interactive communication channels exist to facilitate dialogue (e.g. corporate social media and chat applications). Throughout the year, various events are held within each business segment, offering opportunities to meet and dialogue more often.

In 2020, as the pandemic was spreading, these digital communication resources were heavily used at Group level and within the subsidiaries. All types of meetings – more vital than ever – were moved on-line, in some ways affording extra opportunities.

Group companies rolled out several HR processes and communication tools as soon as the lockdown was announced in France and many other countries. Employees were kept informed about the pandemic and the measures needed to safeguard every team on production sites and in offices.

- Communications and HR departments used emails, text messages and social media to disseminate memos, short films and 'Covid-19' updates, with the aim of staying in contact with employees during the crisis and preparing for operations to resume.
- Subsidiaries published handbooks and notices to assist with implementing the Covid-19 measures applicable in France and further afield. The handbooks contained stricter health measures than those laid down by the French government and industry bodies. For example, mask wearing became mandatory on all Colas worksites as early as 11 April 2020. Employee representatives were consulted prior to implementation of the various measures.
- HR departments established rules for handling leave, other absences and remuneration by setting up schedules, procedures and payment arrangements adapted to conditions. They made sure the measures adopted were properly communicated, explaining what each meant for the workforce, the company and the community.
- Purchasing departments started buying in masks, hand sanitiser, wet-wipes and protective equipment as early as March 2020.
- Foremen, employee representatives and managers implemented these measures at every construction location, in particular.

3.2.1.2 Complying with ILO conventions

The Bouygues group promotes the fundamental conventions of the ILO (International Labour Organisation) as well as human rights in the countries where it operates. Signed in 2006, the UN Global Compact recognises freedom of association and the right to collective bargaining while seeking to eliminate discrimination and forced and child labour. Each year, the Group reaffirms its commitment to these objectives.

When coming on board, every employee is asked to familiarise themselves with the Code of Ethics and the Human Resources Charter, available in-house or by visiting bouygues.com. In sometimes complex circumstances, operational managers have a duty to prevent any infringement of human rights in areas relating to their activity. The whistleblowing facility set up under the Group's Code of Ethics can be used to report serious violations of human rights and fundamental freedoms. The Bouygues group also requires its suppliers and subcontractors to respect ILO conventions (see section on Purchasing in chapter 3 below and on Duty of vigilance in Chapter 4 of this document).

Regarding compliance with ILO conventions, all Bouygues Construction entities perform identity checks at their construction sites, including of subcontractors' employees. The TopSite internal labelling scheme (see section 3.3) requires construction sites to implement checks to make sure that none of the Group's or its subcontractors' employees are in a situation of forced, undeclared or child labour. Bouygues Construction also uses *Attestation Légale*, a platform for collecting administrative documents (some of which concern the prevention of illegal labour), to make sure that its subcontractors comply with their French legal obligations.

Due to its many locations worldwide, Bouygues Construction has to ensure that it complies with local labour law not only as regards its employees, through local Human Resources managers in its entities, but also as regards stakeholders where local law requires checks to be performed by the contractor.

Bouygues Construction defines the standards for worksite living quarters on international construction sites, in line with ILO recommendations. Regular inspections are carried out and compliance with these standards is a mandatory criterion for obtaining the TopSite label. Bouygues Construction's "Living quarters guidelines" do not allow identity papers to be confiscated.

Freedom of association and the right to collective bargaining

In countries where ILO conventions governing trade-union rights and freedoms have not been ratified, all subsidiaries aim to implement arrangements that give employees a voice. This is because the Group strongly believes that high-grade dialogue between labour and management is the cornerstone of harmonious relations in the workplace. Of the international subsidiaries that have more than 300 employees, over 70% have an employee consultation body.

At international entities, particularly in Europe and Africa, employee representation at three-quarters of **Colas**' companies employing over 300 people was at a similar level to operations in France.

In Mauritius, a 12-member Welfare Committee, set up two years ago, organises regular meetings with employees. The committee ensures that the subsidiary participates in various social and environmental initiatives, for example helping those in need and organising blood donations.

Labour relations, guided by employee representative bodies, are satisfactory in all countries of the northern and central Europe region. In Slovakia, discussions are focusing on the ongoing restructuring.

At Colas UK, employee representatives are invited to attend twice-yearly briefings. Other informal events (such as charity events, religious festivals and barbecues) are organised to encourage employees to socialise.

In northern and western Africa, especially in Benin, Ivory Coast and Gabon, dialogue is conducted through employee representatives. More direct methods for communicating with employees such as notices, memos, emails and meetings are also used.

In southern Africa, the Covid-19 health crisis, compounded by pre-existing economic conditions, complicated dialogue with employees, which usually takes the form of several meetings of Affirmative Action committees each year.

In North America, both in the US and Canada, labour relations are managed with the help of trade unions and industry bodies. Unions are the preferred channel for employee dialogue. However, Colas encourages all employees, whether union members or otherwise, to keep open communication channels with their managers. In the US, a helpline is available for discussing business ethics issues.

The subsidiaries also hold staff information meetings to increase cohesion among the various stakeholders in the company and broach issues such as safety and business ethics. In view of Covid-19 health crisis, wage agreements were simply rolled over. Negotiations were postponed until 2021 because of the complications in organising them at that time.

In long-established southern hemisphere operations (Madagascar and western and central Africa), Colas takes a proactive stance on healthcare, especially in dealing with AIDS and malaria, through a policy covering employees, their families and local populations. In Madagascar and the Comoros, local labour rules comply with the basic principles enshrined in these countries' constitutions as well as with international labour standards such as those laid down in ILO conventions and declarations.

In the US, several bodies of legislation, at federal, state or local level (such as the Fair Labor Standards Act (FLSC), the Occupational Safety and Health Act (OSHA) and the Family Medical Leave Act (FMLA)), ban all discrimination based on race, colour, religion, gender or age. These laws also provide a framework for employment conditions (minimum wage and safety).

In Canada, a similar system to the US, based on federal and provincial legislation (Employment Labour Code, Employment Standards Act, AODA, etc.) sets the standard for human rights, equality in the workplace and fair treatment.

In the UK, anti-slavery legislation requires companies to publish an annual modern slavery statement to highlight the measures they are taking to combat human trafficking and present-day enslavement. Within the framework of this legislation, the UK subsidiary of Colas Rail has undertaken to operate in a business environment free from slavery and people trafficking. In Ireland, Colas' firms must uphold a 1996 law on the protection of young people, focusing on the health of younger workers and guaranteeing that working while at school does not harm their education.

In South Africa and Namibia, labour inspectors work to ensure that policies comply with national and ILO standards.

Existence of employee representative bodies in the international activities[a]

Scope[b]: International, outside France (companies with over 300 employees)	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Existence of employee representative bodies in the international activities		56%		74%			64%	70%

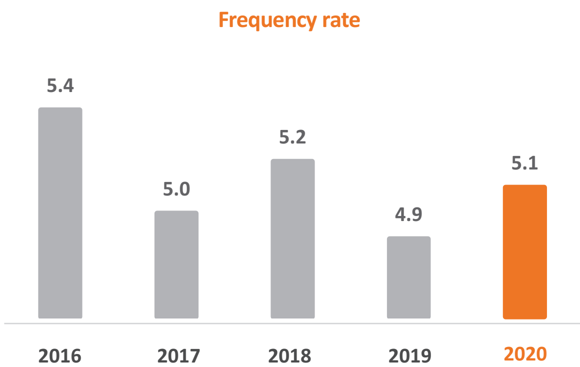
(a) Bouygues SA and other, Bouygues Immobilier and TF1 are not covered by this indicator on account of its scope. Only companies employing over 300 people operating outside France are concerned.
(b) Coverage rate: 42% of the Group's headcount (Scope 3)

3

3.2.2 Ensuring health, safety and well-being in the workplace

The Bouygues group aims to reduce the frequency and severity of occupational accidents to which it is highly exposed through its operations. In addition to the measures taken to ensure the safety of employees, the business segments also operate policies to improve employee health.

Workplace accidents



3.2.2.1 Boosting safety in the workplace

The Group's construction businesses work extremely hard in the area of health and safety (safety equipment, training, detection and monitoring of near-accidents). In France, health, safety and working-conditions policies are implemented in consultation with employee representative bodies Implementation of a safety management system, part of which may have Iso 45001 certification, is the organisational bedrock at Bouygues' operating units in the construction sector.

Group entities are actively working to improve the safety of all persons working on their sites. As personal physical integrity is at stake, Bouygues group entities require their suppliers and subcontractors to be vigilant in terms of work safety requirements when operating on Group sites. In that regard, it is each supplier's responsibility to bring any identified anomaly to the attention of the manager of the Bouygues group site where it is working (extract from the Group's CSR Charter for Suppliers and Subcontractors, which is appended to procurement contracts).

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

In 2018, **Bouygues Construction** launched an initiative to better coordinate health and safety policy. Last year, as part of this drive, it provided all its entities with a universal multi-business resource for managing health & safety, under the name of Cority, to be operational as of 1 January 2021.

This resource represents a paradigm shift as it considers health & safety from the angles of project, worksite, business or department. Because it is operated by decision-makers in the field rather than simply by Health & Safety, as under previous arrangements, Cority can harvest and store field data that can then be extracted, analysed and put to use. Cority has a management interface, available at all levels of the organisation, through which it will be possible to obtain coded or reprocessed indicators and information that can then be used to make proactive, agile management decisions to improve operational performance.

Initiated in 2018, the TopSite label continued to be rolled out to all of Bouygues Construction's operations (see section 3.3, "Environmental information"). One element of TopSite is workplace health and safety.

Safety culture audits were carried out on the sites of most Bouygues Construction's operating entities, in conjunction with the French industrial safety culture institute (ICSI). The aim of these audits is to split the notion of safety into technical, organisational, people-related and behavioural components so that the right action can be taken. This novel approach seeks to drive a significant improvement in mindsets as well as fostering shared values and encouraging engagement from all people in the field. In 2020, all the entities were able to deploy this new safety-at-work arrangement, accompanied by leadership indicators. These can be used to measure how effectively best practice and worksite incidents analysis are being relayed, thereby gauging management's dedication to understanding issues, finding causes and proposing remedial measures.

In 2020, Bouygues Construction continued reviewing safety performance across all operations, drawing on the efforts of its managers and network of health & safety officers. By this means, it has been possible to clarify duties and expectations as well as marshal resources for checking compliance with Bouygues Construction's standards, which were strengthened in 2020 (the 12 fundamentals). As part of its corporate strategy called "Beyond - On the Road to 2023", launched in 2019, Bouygues Bâtiment International is focusing its health & safety efforts on controlling major risks, with the objective of achieving zero high-potential accidents by 2023, through #Safety Act, a set of health & safety guidelines applicable to the whole of Bouygues Bâtiment International.

Bouygues Construction continued to implement its policy of removing ladders, stepladders and step stools across all its operations, as well as withdrawing the125mm angle grinder, for which it lists alternatives. Where this is not possible, an ad hoc procedure consisting of prior risk analysis and suitable protective measures must be followed.

With the aim of ensuring continuous feedback from high-risk activities, Bouygues Construction continued introducing systematic in-depth investigations and cause-finding analysis subsequent to every accident, near-accident or any other event deemed to be "Serious" or "High Potential" (HiPo).

Bouygues Construction's Health & Safety department continues to map its requirements and skill sets with the aim of scaling and training up its teams so that they can provide increasingly effective expertise and support for operational personnel.

Bouygues Construction's Equipment division continues to bring its machine-tools up to standard across all its depots. It is also improving health & safety signage for workstations and finalising "Go no Go", a policy promoting safety at the beginning of each working day.

Health and safety policy at **Colas** is built around four priorities: respect for rules, training and information, a safety-first approach to project and process design, and follow-up of action plans.

Significant actions in 2020 included the following:

- OneSafety in conjunction with DSS (DuPont Sustainable Solutions), launched in 2019 at Colas Centre-Ouest. All managers, from the Managing Director France and heads of subsidiaries all the way down to team leaders, were coached in key management skills and how to approach safety collaboratively with their teams. All regions covered by Colas France had launched the initiative by the end of 2020. Roll-out is set to continue until 2023. Colas Rail and GTOI (the subsidiary on Reunion Island) also have plans to launch OneSafety.
- Launch of the Group Safety Rules by Frédéric Gardès[a], CEO of Colas, at the 2020 Safety Week, consisting of five Rules of life and ten Life-saving rules. Roll-out is planned all the way to the next Safety Week in June 2021. These new rules are designed to foster a group-wide safety culture and forestall major risks. They will be widely disseminated and serve as the basis for audits.
- The continued deployment in North America (Canada and US), in conjunction with Caterpillar Safety Services, of "Living Goal Zero", a process which is also part of the safety culture.
- Continuation of hazard-avoidance projects, including a project with Volvo Construction Equipment whereby operators are alerted if a pedestrian enters a danger area close to machinery, while the pedestrian also receives an audible warning. This system uses artificial intelligence to recognise when people are present. This innovation is vital because this particular risk represents the most hazardous scenario in the working environment.

Road safety

In France, the road safety action and accident prevention scheme, implemented across the Colas group, relies on the day-to-day commitment of its subsidiaries and local units, which take active steps under the guidance of general management.

This scheme, which is being rolled out by over 500 road safety officers, takes the SCOPE programme as its inspiration. SCOPE is about making drivers aware about how to drive safely and organise their travel. It also covers vehicle fleets (purchase and maintenance, active and passive safety features) and the environment (road infrastructure, traffic schemes, etc.).

The programme is disseminated using multimedia content, driving audits, post-accident analysis (and remedial measures) and statistical tools for monitoring and analysing accidents at company and national level.

More than 30,000 employees have undergone SCOPE training since its launch in 1997, and over 15,000 driving audits have been conducted, either by the road safety team or at specialist training centres.

Other methods are also used to raise road safety awareness among the workforce, such as the design and distribution of communication media (posters, comic strips, short films, etc.), while safety 'starters' offer reminders of the highway code (including the rules on mobile phone use). Training is also provided using simulation software.

Each time, the preventability of accidents is highlighted, using case studies.

These arrangements are supplemented by a system of in-house competitions to encourage subsidiaries and units to 'buy in' and show creativity. For example "Challenge Sécurité France", which recognises those Colas entities performing best in the safety arena, also forms part of the road safety policy.

In Madagascar, a contract was signed with a geolocation solution provider. This offers new possibilities in terms of on-board information, thus having a positive influence on driver behaviour.

Latest trends in accidents and vehicle fleets

Colas sets targets for reducing accidents across all its subsidiaries. For example, between 2004 and 2019 it cut the road accident rate by 45% worldwide. Between 2018 and 2019, the road accident rate was stable worldwide.

On-board data collection devices are also being progressively implemented, in full compliance with the laws and regulations of each country (through CNIL in France, with GDPR in the European Union). Positive results (e.g. significant reduction in speeds) have already been secured at Colas Rail Ltd (UK) after discussions with the drivers concerned about the dangers of excessive speed, substantiated by hard data.

(a) Chairman and CEO since 17 February 2021.

Workplace accidents

Scope[a]: Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Frequency rate[b] of workplace accidents among staff	1.35	4.41	1.18	6.12	1.94	5.68	5.11	4.88
Severity rate[c] of workplace accidents among staff	0	0.27	0.03	0.44	0.07	0.34	0.34	0.32
Number of fatal accidents among staff[d]	0	3	0	5	0	0	8	3

(a) Coverage rate: 100% of the Group's headcount (Scope 1)

(b) Number of accidents involving time off work x 1,000,000/number of hours worked. The auditor states that it has obtained reasonable assurance for the 2020 indicator

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

(d) The auditor states that it has obtained reasonable assurance for the 2020 indicator.

*The work accident frequency rate edged up by 0.23 relative to 2019. At **Bouygues Construction** this was due to the consolidation last year of Bouygues E&S Intec and Kraftanlagen, which are currently implementing Bouygues Construction's safety rules to bring themselves up to the group's standards. Within **Bouygues Telecom,** Tisséo Services grew strongly in 2020 but recorded a correspondingly large number of workplace accidents, unfortunately. **Colas** reported a lower rate relative to 2019, down from 6.19 to 6.12.*

*It was decided that the methodology applied in 2019 would also be used to calculate the 2020 workplace accident frequency rate, despite the health crisis. As such, furloughing within the business segments was not taken into account except for **Colas**, which continued to deduct this from the number of hours worked by the entire workforce. However, if the methodology had been altered, the group frequency rate would have been 5.14, i.e. 0.03 higher.*

***Colas** reported five fatal accidents, mainly as a result of impacts with heavy plant machinery. **Bouygues Construction** reported three fatal accidents.*

3.2.2.2 Working with temporary employment agencies and subcontractors

Bouygues Construction works in collaboration with temporary employment agencies and subcontractors to ensure that its health & safety standards are followed to the letter.

Some entities in France assist these agencies by issuing a business report and round-ups during the year so that results can be evaluated and they can participate fully in health & safety policy.

On French worksites, Bouygues Construction uses temporary workers with PASI (temporary worker safety passport) training. PASI trains workers in safety basics on construction sites. It is promoted and overseen by the Federation of French construction and civil works companies (EGF-BTP). It is applied universally. It is also an obligation for temporary employment agencies. Training is practical and is dispensed over two days by training organisations approved by the PASI steering committee. Participants must take an assessment to validate what they have learnt. Topics follow a set schedule, determined in accordance with the requirements of each construction company in collaboration with the OPPBTP (the professional body for the prevention of occupational hazards in the construction and civil works sectors) and the companies' own safety coordinators.

In addition to PASI, the civil works division of Bouygues Construction is even more stringent, requiring temporary employment agencies to contribute and commit to action plans targeting workplace accidents deemed "high potential" (HiPo). Through this work, it has been possible to draw up a harmonised list of high-risk temporary worker posts. In 2020 Bouygues Construction instigated publication of a twice-yearly health & safety bulletin detailing accident rates and the implementation of PASI training.

Bouygues Construction continues its policy of setting out the safety commitments required from business partners and subcontractors in their contracts, and regularly monitors their performance. For example, Bouygues Bâtiment France Europe continued its "Partner support" initiative to enhance the safety culture among subcontractors on all its worksites, in both the structural works and fit-out phases. A large number of health & safety days were held for service providers and subcontractors during 2020 to bring practices into line.

Bouygues Construction entities help subcontractors enact the action plan relating to cordless power tools.

At Colas**,** several initiatives were being implemented in 2020:

- Harmonising safety induction sessions with the help of "Accueil" software and distribution of an induction document for site managers.
- Introducing a new system for identifying posts at risk of specific hazards and adding extra training in these cases.
- Working with Routes de France and FNTP[a] for the launch of PASI in 2021. Colas will then require PASI training from all its temporary employment agencies.
- Implementing a software application for managing temporary staff (Pixid), which allows for improved monitoring of these workers from the time the order is placed to arrival on site.

(a) French National Public Works Federation.

Safety of temporary workers

Scope[a]: France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total
Number of temporary workers (FTE)	3	3,148	8	2,916	3	18	**6,096**
Number of temporary worker accidents	0	174	0	126	0	0	**300**
Number of temporary worker fatal accidents	0	0	0	0	0	0	**0**

(a) Coverage rate: 51% of the Group's headcount (Scope 2)
Indicators on the number of workplace accidents and fatal accidents among temporary workers are new.

3.2.2.3 Protecting health in the workplace

Employee benefits

The Bouygues group endeavours to provide its employees with benefits, both in France and in other countries.

In France, all employees benefit from personal risk coverage (long-term incapacity and death) and healthcare insurance. Entitlements are far superior to the legal minima (especially state-approved complementary healthcare policies) and contractual arrangements. In addition to employee healthcare coverage, the Group also contributes towards covering family members' healthcare costs.

The Group Personal risks scheme covers the employees of Bouygues Construction, Bouygues Immobilier, Bouygues Telecom and Bouygues SA.

Ensuring a common core of employee benefits outside France

A review of employee benefits, healthcare coverage, personal risk cover, retirement benefits and parental entitlements for employees of international units was conducted in 2018. This found that 73% of employees abroad enjoyed additional cover (relative to legal obligations) in terms of healthcare costs. For personal risk cover, the proportion was 67%.

In 2019, the Group launched a new programme called BYCare. This programme aims to ensure a common core of employee benefits for the whole Group that go further than the requirements of the local legislation in each country. Its aim is to make sure, in each country where Bouygues operates, that its best practices are at least on the same level as a panel of benchmark companies operating there. The first stage has focused on all-causes death insurance, paying an additional lump sum higher than the mandatory minimum – equal to at least one and a half times the employee's gross annual salary – from 2021 onwards.

At Colas, in addition to the BYCare scheme, local initiatives are carried out to promote employee health. In Madagascar, an infirmary was set up and two doctors hired to provide basic care for common ailments and conduct the regular mandatory medical check-ups. In western Africa, e.g. in Ivory Coast, each location has an occupational doctor and an infirmary (staffed with nurses).

The Covid-19 pandemic

Covid-19 intensified dialogue between labour and management (see section 3.2.1.1 on labour relations). In this context, Bouygues group companies scrupulously adapted health protection measures applicable to employees and on-site service providers throughout the period, in accordance with government recommendations. Businesses continuing to operate during the lockdowns put in place specific measures for protecting the health of employees. In March 2020, Colas implemented a full set of Covid-19 procedures, allowing for business to resume gradually from mid-April.

In France, as soon as the first lockdown was lifted, the Group's business segments steadily rolled out PCR tests to employees.

During the Covid-19 health crisis, special health & safety plans for worksites specified the conditions for in-house or off-site operations as well as providing rules on dealings with subcontractors, temporary employment agencies and service providers. At locations under the responsibility of Bouygues Construction, these arrangements were supplemented by the purchasing and distribution of consumables for personal protection (masks, hand sanitiser, gloves, disinfectants, etc.) or group protection (e.g. plexiglass workstation dividers).

At Colas, protective measures mainly concerned France (mainland and overseas departments) and served as a template for other countries. The regulations and legal provisions in each country prevented implementation of a standardised procedure.

In Canada, remote psychological support and care programmes have been set up for employees and their families during lockdown.

In southern Africa, the services of ICAS[a] were made available to all employees wanting to receive support in the event of psychological problems, and provided information about Covid-19. Other topics covered by this service include teleworking, resilience and employee engagement.

At TF1, precautions were taken during lockdown to safeguard the health and safety of employees whose on-site presence was essential for producing and broadcasting linear channel content (TF1 Group News & Information division, Technology department, TF1's medical office, Corporate Services and Security, etc.).

News teams were formed into alternating pairs and housed in apartments provided by TF1 to lower the risk of passing the virus on to their families. A room has been set up for disinfecting reporting equipment. Microphones are covered with single-use protective films. Wherever possible, meetings and interviews are conducted using videoconferencing. During the lockdown, TF1 communicated daily with teleworkers to combat isolation and maintain links with colleagues. Where required, employees working from home were referred to the counselling helpline set up in 2019 in conjunction with PSYA.

(a) A world leader in employee support services and high-risk behaviour management.

3

During the first lockdown between March and May 2020, Bouygues Telecom held conference calls on a variety of subjects, including how to set up an ergonomic workstation at home and the importance of maintaining an exercise programme. Counselling and psychological support services were more widely publicised among staff. The purpose of these measures was to prevent the occurrence of risks arising from psychosocial disorders.

Psychosocial risk prevention campaigns are carried out in all Group businesses, accompanied by surveys, early warnings and management training in best practices. Bouygues Immobilier continued to implement BI WELL, its stress-prevention scheme that was initiated in 2019.

Ergonomics

Ergonomics is an integral part of health & safety actions within Bouygues Construction. It was enshrined in the "2019-2021 Health Plan", which applies to all Bouygues Construction entities.

Occupational therapists have for several years been conducting analysis, the findings of which are now being used to assess workstation constraints and prioritise remedial actions in terms of organisation and equipment. In addition to this analysis, the "Kiz'ergo" application can be used by health & safety officers – after prior training – to carry out ergonomic observations, making it possible to propose immediate solutions on site, report problems to head office and supplement the knowledge base covering the ergonomic risks affecting each profession. By the end of 2020, just over 200 Kiz'ergo diagnostic tests had been carried out.

Production sites are offered standard equipment and tools that comply with Bouygues Construction's requirements, thanks to standardisation based on data provided by ergonomic risk mapping, focusing on those risks identified as most common and requiring priority action. The "Ergo'AP" application can be used by each site to find the right solutions for its specific operations and constraints.

Through a partnership with Bouygues Construction's Equipment division and its suppliers, the company's standard equipment is being improved all the time – from floor formwork and form panels to cordless power tools and access points.

In 2020, a compendium of the physical assistance devices (ZeroG arms, tool support systems and special exoskeletons) was created. Tests have been made available for defining the right solution for each environment, and comparative ergonomic analyses have been conducted to quantify the benefits of each solution. A handbook will soon be available for the use of operational staff. Using ergonomic diagnostic tools allows for more accurate analysis. In 2020, an innovative approach to floor formwork was implemented to offset the risks arising from on-site variables (organisation, weather conditions, users, etc.). Real-time monitoring was carried out using the "Captiv" solution, involving a thorough analysis of people's joints in relation to exertion in order to codify the effort of each movement, with the help of video recording. The findings from this ergonomic research were then used to select the three most ergonomic and high-performance items of equipment.

Workstation organisation and the optimisation of movement and storage are being targeted by specific actions adapted to sites and their surroundings, in keeping with Lean Management and "Perform TP" actions. As a result, handling plans have been introduced to reduce movement risks and increase efficiency. This includes identifying weights by colour-coding, making the relevant resources available (mechanisation, management of storage areas as close as possible to the workstations, reducing weights at source, etc.), and optimising stairs and corridors in order to reduce walking distances.

Bouygues Construction's Equipment division is currently colour-coding all its products. Shoring equipment now arrives on site with a sticker indicating whether it can be handled manually or requires mechanical assistance or transportation. So that ergonomics are factored into the equation right from the design phase, Ergo'Training is given to decision-makers and those for whom ergonomics is an issue, whether they be in the methods, equipment, health & safety, or works departments.

The Ergonomics unit runs on-site information campaigns for the benefit of site workers and supervisors. Warm-up exercises mark the start of the working day on every Bouygues Construction worksite.

Streamlining and harmonisation processes are used to select tools (in particular cordless power tools) that guarantee compliance with Bouygues Construction's requirements in terms of protection against wood and silica dust (extraction systems or, failing that, suitable respiratory protection equipment). Awareness-building of this issue is also carried out among teams. At the same time, Bouygues Construction's PPE (Personal Protective Equipment) steering committee references PPE adapted to specific work situations and environments, and offering a level of protection in line with risk analyses.

In addition to the Disability support unit, a reclassification unit comprising the integrated social assistance unit, occupational medicine and HR managers has been set up, aiming to forestall any situation incurring risks of incapacity for vulnerable or disabled employees. To detect anxiety and depressive disorders, an HAD (Hospital Anxiety and Depression) questionnaire is used during medical check-ups to supplement initiatives promoting quality of life at work.

Musculoskeletal disorders are estimated to be the major health risk for civil works professions. Colas has been active in this area for several years, organising PRAP training to prevent risks arising from physical activity. It also provides "ExoPush" exoskeletons to help reduce strain for asphalt paving teams. Close to 100 units are used today in France and internationally. Working in conjunction with engineers, these ExoPushes were designed by site workers and Colas specialists to assist the manual laying of asphalts, leading to improved working conditions. Benefits for site workers include improved posture (by being able to work in a much more upright position) and a lower heart rate.

The highly mechanised nature of public work sites means that employees are exposed to noise. Safety Week in 2019 focused on noise-related hazards and the importance of hearing protection, which must be worn at all times on Colas worksites (construction sites, quarries and plants). Employees were reminded that noise is dangerous above 80 dBA, has harmful effects on the body and that any loss of hearing is irreversible. This Safety Week took place at all Colas operations worldwide, ensuring that the entire workforce could be informed.

The film *Le Bruit*, (Noise), which won a gold award at the Fimbacte festival, in the responsible communication category, was shown at all Colas locations, followed up with video quizzes presented by managers. The campaign also included a booklet for employees as well as specific posters. Hearing protection is a mandatory part of the PPE, as stated under the health & safety rules.

For details about ultraviolet rays, bitumen fumes, dust and solvents, see Chapter 4 Risk factors.

Number of employees with a recognised occupational illness

Scope[a]: France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Number of employees with a recognised occupational illness	0	66	0	73	3	0	142	205

(a) Coverage rate: 51% of the Group's headcount (Scope 2)
The indicator is specific to France and thus excludes international data.

*The number of employees with a recognised occupational illness fell last year, mainly in the French building activities (outside of Paris region) at **Bouygues Construction.***

Absenteeism rate[a]

Scope[b]: France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Absenteeism rate	n.m.	4.5%	1.9%	6.0%	2.8%	4.9%		4.2%

n.m. for non-meaningful: refers to figures below 0.1%.
(a) Permanent staff
(b) Coverage rate: 51% of the Group's headcount (Scope 2)
Absenteeism is defined as the number of calendar days absent as a result of workplace accidents, commuting accidents, occupational illnesses and other illnesses versus [average number of permanent staff x 365]

Absenteeism increased relative to 2019, chiefly because of the pandemic.

3.2.3 Employment and equal opportunity

3.2.3.1 Attracting and recruiting future talent

8,911

new hires in France in 2020

Hiring new employees is a key issue for the Group, enabling it to support business growth. Most of its business segments have set up special talent acquisition units, aiming to support line and HR managers with their ambitious recruitment drives. To help them in this task, they make use of new digital resources to detect both experienced professionals and graduates.

The Bouygues group operates an active policy for recruiting and onboarding tomorrow's talents across its various core businesses.

The Group's business segments make use of employee referrals, digital channels (social media and job boards) and prospecting outside the office (through job fairs, employment forums and after-work events). Each business segment endeavours to develop joint representation on behalf of the others, organising recruitment events by theme. All of the Group's career opportunities can be accessed from bouygues.com, which helps publicise the opportunities on offer from all the Group's business segments. At any given time, over 1,000 job openings are available, both in France and abroad.

Recruitment

The **Bouygues Construction** careers website offers applicants the opportunity to put questions directly to Group 'internal ambassadors' – employees tasked with offering this service. The purpose of this innovative solution is to encourage spontaneity in the responses given to applicants. The solution developer also offers an AI module, using which Bouygues Construction can leverage past conversations to provide automatic answers to questions that have already been asked.

Amid the Covid-19 pandemic, Bouygues Construction for the first time, in May 2020, held a forum devoted to work/study contracts called *Agis pour ton avenir*. This fully on-line campaign targeted profiles sought for by all the business lines operated by Bouygues Construction. Students had the opportunity to dialogue with recruiters and their future managers via videoconference. The event, which brought together 60 recruiters from various entities, was an overwhelming success. Close to 4,000 applications were received and 700 interviews conducted in the space of four days.

Another initiative, this time worldwide, was launched in November 2020 by Bouygues Construction and its subsidiaries. This first-ever virtual game for students, BIG (Bouygues International Games), connected eight international teams of potential graduate programme candidates. The group is also presented to participants during the game.

Colas has produced #CeuxQuiNousRelient, a series of short films that place value on what employees say outside the group. Using these stories, the campaign highlights the experience of employees on themes about which HR wants to communicate. The aim is to show Colas 'behind the scenes' while fostering a sense of proximity with applicants, revealing its heartbeat as well as its corporate culture and values, and strengthening employees' sense of pride in being part of the group. These clips will be posted on Colas' social media accounts and the upcoming group-wide Careers website, which by leveraging the future HR system ColasWay will offer a consistent recruitment message and simplify procedures for applicants.

Another means of attracting new talents has been the new communication campaign "Campus Stages et Alternance", which includes short video stories by young employees hired on permanent contracts following their internships. For forums held in French overseas departments, a new application, InMind, has been used by recruiters to avoid the need for printed CVs, to digitalise conversations and to circulate applications throughout the group.

Meanwhile Colas UK has continued to focus on apprenticeships. A recruitment campaign for final-year interns was launched in September in the overseas departments-Indian Ocean zone[a]. All regions sent in their internship positions, which then shared via the Taleo HR system. The current-year target for this zone is to recruit 21 final-year interns.

In 2020, **TF1** recruited nearly 180 work/study trainees, in particular through a talent-dating event held exclusively on-line because of Covid-19. The advantage was that students – from all academic disciplines – could apply from anywhere.

Bouygues Telecom in September 2020 deployed a new platform, in partnership with Basile, to strengthen recruitment via internal mobility and employee referrals. The purpose is to make it easier for employees to apply for a position while maintaining their career progression, or suggest someone from their network for a position, all in a couple of mouse clicks. One month after its launch, two recruitments had been finalised and more than 500 referrals received. The talent acquisition team within the Bouygues Telecom store network, which annually recruits close to 1,000 sales advisers and store managers, has also innovated by permitting video applications instead of CVs in its recruitment campaigns.

Graduate recruitment

Another main factor behind the Bouygues group's appeal as an employer is its **close preferential relations with educational establishments and leading academic institutions,** both in France and abroad.

Echoing this ambition, the Bouygues group in 2020 joined forces with academic institution HEC Paris[b] to found the Smart City and the Common Good academic chair, which has several objectives:

(a) Reunion Island, Caribbean-French Guiana, Mayotte, Madagascar and the Comoros.
(b) Hautes Études commerciales.

- help convey a people-focused vision of the smart city to future decision-takers;
- draw on academic thinking to make its sustainable city offerings more meaningful;
- raise awareness about the diversity and quality of careers within the Group.

The chair is active in four areas: research, led by the incumbent professor; initiatives to solicit the Group's contribution to the curriculum; recruitment of new talent into the business segments; and joint institutional events.

In 2020 **Colas** continued to partner with École des ponts ParisTech (ENPC), Ensam[a], Centrale Lyon and École supérieure d'ingénieurs des travaux de la construction Paris (ESITC). Graduate recruitment policies, operated by Colas companies in conjunction with universities and other higher-education institutions, give students and graduates access to internships and apprenticeships that enhance their careers, as well as to hiring opportunities.

In addition, the Group's business segments make sure that the young people they recruit are given a proper welcome. Induction days with project presentations, conversations with employees, site visits and mentoring are all designed to help interns, work/study students and graduates become familiar with the world of work.

This policy is yielding results: the business segments Bouygues Construction, Bouygues Immobilier, TF1 and Bouygues Telecom were all listed in the 2020 Happy Trainees rankings of companies where interns and those on work/study contracts are the most satisfied – for the second year running.

Colas hosted some 900 interns in the year to 30 September 2020, around 15% of whom were subsequently hired.

In the ninth annual survey[b] of companies most popular with students and graduates, **TF1** was last year ranked second (Media category) among students and graduates from the elite business schools.

Recruitment and departures

External recruitment by job category

Scope[a]: Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
France	**78**	**2,808**	**243**	**2,679**	**754**	**2,349**	**8,911**	**10,636**
Managerial	58	1,089	130	447	443	737	2,904	2,935
Clerical, technical & supervisory	20	1,204	113	650	311	1,612	3,910	4,773
Site workers		515		1,582			2,097	2,928
International	**25**	**16,204**	**13**	**15,202**	**78**	**256**	**31,778**	**34,711**
Staff[b]	25	3,846	13	2,536	78	256	6,754	7,590
Workers[c]		12,358		12,666			25,024	27,121
France + International	**103**	**19,012**	**256**	**17,881**	**832**	**2,605**	**40,689**	**45,347**

(a) Coverage rate: 100% of the Group's headcount (Scope 1)
(b) Supervisory, managerial and technical employees
(c) Site workers
Indicator available at bouygues.com: Internships during the year (France)

*Bouygues group intake remained high despite the pandemic, although recruitment was down 20% at **Colas** relative to 2019. Worst affected was France, where recruitment plunged by 30%. All job categories were affected in roughly the same proportions. Outside France the downswing was not as sharp and primarily affected site workers (down by around 16%). Recruitment actually increased at **Bouygues Construction** (up 2%), driven by the non-French operations.*

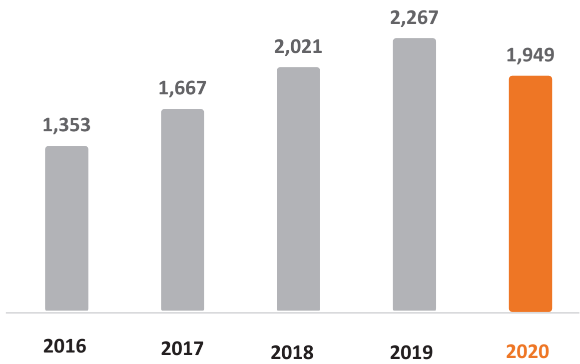
Number of departures

Scope[a]: Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Number of departures (all types of contract)	126	16,291	446	19,964	850	2,157	**39,834**	40,154

(a) Coverage rate: 100% of the Group's headcount (Scope 1)
Indicators available at bouygues.com: Reason for departure (France), Voluntary turnover (France)

(a) Arts et Métiers ParisTech.
(b) *Le Figaro Étudiant,* in partnership with Epoka/Harris Interactive.

People on work/study contracts



Scope[a]: France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Number of apprenticeship contracts during the year	9	510	62	477	133	178	**1,369**	1,220
Number of professional training contracts during the year	1	120	14	142	99	204	**580**	1,047
TOTAL	**10**	**630**	**76**	**619**	**232**	**382**	**1,949**	**2,267**

(a) Coverage rate: 51% of the Group's headcount (Scope 2)
The indicator is specific to France and thus excludes international data.

All Group entities promoted apprenticeship contracts, especially in view of the new arrangements from the government. The number of contracts rose by 12% over the previous year – a sign of the Group's dedication to facilitating access to the world of work for young people. By contrast, the number of work/study contracts decreased by 14% overall as a result of the health crisis.

3.2.3.2 Develop a remuneration policy rewarding individual and combined efforts

Bouygues group's remuneration policy, which is tailored to each employee and based on merit, is an integral part of its culture. Because remuneration underpins business development and performance, the Group wants it to be central to operations in all its entities, in every country. This policy is designed to reward employees for meeting or surpassing personal and team targets. It has four major components:

- giving employees a share in the company's profits;
- ensuring fair pay;
- offering a comprehensive system of remuneration; and
- tailoring remuneration policies to professions, specific profiles and geographies.

Giving employees a share in the company's profits

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

This policy is supplemented in France by mechanisms giving employees a share in the profits of the Group's various entities. In total, 99% of France-based employees are covered by compulsory or voluntary profit-sharing agreements.

The Bouygues group collective bargaining agreement on the retirement savings plan, signed in 2020 with employee representatives, brings the arrangements into line with the Pacte law and formalises the increased employer top-up contribution. For example, the employer top-up contribution is increased to 200% on the employee's first payment, up from 100%.

52,000 employee-shareholders

Encouraging employee share ownership has always been high on the Bouygues group's agenda. As early as 1989, the Group set up a company savings scheme, with the level of its top-up contributions raised on regular occasions. Over the past 20 years or more it has introduced several employee-reserved capital increases. Bouygues is in fact the CAC 40 company with the highest level of employee share ownership. Similar arrangements are on offer in other countries. In the UK, Bouygues Construction has ShareBY and Colas UK has the Colas UK Share Incentive Plan. Switzerland and Hong Kong also offer employee share ownership.

Ensuring fair pay

The Bouygues group took account of the pandemic and the resulting measures in its systems of remuneration in a number of ways:

- a Group-wide "Covid-19" agreement, signed in March 2020, which aimed to limit the wage impact for employees affected by furloughing, in a spirit of fairness;
- adjustments to 2020 variables for Executive Officers, with a reduction in the total remuneration and inclusion of a "Covid" criterion. This assesses management of the crisis in terms of health & safety for employees as well as customers and users, in addition to cash management, organisational readiness, etc. This change was also made for the senior management teams of the business segments;
- a similar adaptation for managers eligible for annual variable remuneration based on business results and type of industry, in each business segment and country.

Tailoring remuneration policies to professions, specific profiles and geographies

The Bouygues group's Compensation & Benefits department with the help of a consultancy drew up a benchmark for graduates, managers and executives.

Each business segment supplemented these findings by providing specific analysis from their respective sectors, in countries where the Group has strong representation.

Bouygues Construction is continuing the roll-out of the Global HR system by integrating new international companies in the remuneration process, including AW Edwards in Australia, VSL in India and the Bouygues Bâtiment International subsidiary in Myanmar.

The annual appraisal deals with two parts of the remuneration process: basic salary and variable bonus.

Salaries are adjusted depending on the local configuration, which considers inflation, the latest salary scales for site workers as well as the results of the business unit (profits, sales and backlog). Bonuses may be granted to employees, depending on their qualifications.

Bouygues Immobilier strives to offers remuneration in line with regional standards to ensure it remains competitive in this respect. Correspondingly, pay review budgets take into account specific situations, such as economic conditions in Poland or wage pressures in specific regional labour markets in France.

This year Bouygues Immobilier simplified and adjusted manager pay to meet the new expectations of the strategic plan. The target-based variable remuneration policy was overhauled in 2020. A remuneration plan is set up for each manager, tailored to their position, and they are remunerated for:

- attaining shared targets that promote cross-disciplinarity and collaboration, and reaching the targets of their business unit with an emphasis on their dedication, their personal performance and that of their team; and
- their contribution to the company's transformation and their management performance, assessed on the basis of interpersonal skills and adherence to the values of the "BI Spirit" code of conduct such as trust and audacity. In total, nearly 130 eligible employees are concerned.

At Colas**,** the remuneration paid to the CEO and Chairman has a variable portion indexed to business performance and a selection of CSR indicators focusing on health & safety and the environment.

In the US, to keep pay in line with the local market, Colas uses local pay surveys, given the regional differences between its units in the western states (Alaska, California, Colorado), the central states (Arkansas, South Dakota, Illinois, Missouri, Nebraska, Ohio, Wyoming) and the eastern states (South Carolina, Florida, Georgia, Pennsylvania, New York, Virginia).

Since 2017, the North American subsidiaries have been using the "Pathways" HR information system (now called "Colasway") for more efficient and fairer management of remuneration.

In Canada, Colas bases remuneration on local collective bargaining agreements, particularly in Quebec and Ontario. For unionised employees, pay is set through the collective bargaining arrangements applicable to their businesses. Because of Covid-19, a special bonus was paid to the employees of all subsidiaries in October 2020.

In northern Europe and central Europe, wage policy is also informed by local surveys so that it is correctly calibrated for each market. This helps retain talent, especially in markets facing worker shortages (Hungary, UK, Switzerland).

In Africa, subsidiaries in Ivory Coast, Benin, Gabon, Morocco and Senegal rely on comparative market research from Mercer. Mercer analyses each country to find out the best practices of similarly sized companies operating in the same industry. The remuneration process has as a result been revised to reward performance more accurately and ensure a fair balance internally. This work primarily considered the wage component, i.e. salaries and bonuses. Employee benefits are currently under review. In South Africa and Namibia, salaries are adjusted in accordance with local collective bargaining agreements.

TF1 relies on findings from the General Industry, Media and Executive surveys carried out by Willis Towers Watson, so that its remuneration policy can be reconciled with best market practices. These surveys are also of assistance in helping to attract and retain talent in TF1's highly competitive marketplace, amid the high rotation of personnel in these professions.

The data is in addition used to set up remuneration management tools such as salary scales (including starting salaries) and plans for targeting high-demand professions.

TF1 also signed a new voluntary profit-sharing agreement for its group of companies, covering the financial years 2020 to 2022. The purpose of this new agreement is to reward staff efforts on the social and environmental themes that the group champions, in particular, its commitment to a sustainable society – encouraging the respectful and fair management of resources. This includes reducing the carbon footprint. CSR criteria have accordingly been integrated into the profit-sharing agreement, with scope to enhance the total budget available.

Bouygues Telecom this year commissioned Willis Towers Watson to conduct High Tech and General Industry surveys to ensure that all employees of Bouygues Telecom and its store network (RCBT) were paid in line with the market. These surveys can be used by HR managers to assess the market value of each employee, thus assisting with decisions during annual salary reviews.

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

Scope[b]: France in euros	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier[c]	Colas	TF1[d]	Bouygues Telecom[e]
Managerial	78,350	60,951	68,238	63,778	69,424	61,786
Change vs 2019[f]	-6.1%	0.7%	-4.2%	0.7%	1.1%	0.0%
Clerical, technical & supervisory	35,400	33,499	25,352	38,914	40,840	27,219
Change vs 2019[f]	-18.1%	0.7%	-25.6%	1.1%	3.9%	0.0%
Site workers		29,166		28,399		
Change vs 2019[f]		1.6%		2.5%		

(a) Permanent staff
(b) Coverage rate: 51% of the Group's headcount (Scope 2)
(c) Excluding sales staff
(d) Including journalists
(e) Including customer relations advisers. Change calculated on the basis of average wages in the previous year
(f) Indicators available at bouygues.com: Total gross top-up contribution by employer to the company savings scheme (France), Total gross top-up contribution by employer to the collective retirement savings scheme (France), Total amount of profit-sharing (paid in 2020 in respect of 2019) and Percentage of employees promoted (France).

*At **Bouygues Immobilier,** the decrease in average gross annual salary was due to lower sales and earnings impacted negatively by the health crisis, which reduced the variable portion.*

Benefits granted to employees

in millions of euros	2020	2019	2018 Restated[a]
Net profit	770	1,320	1,450
Costs of employee benefits excluding dividends	180	203	203
Profit before costs associated with employee benefits	950	1,523	1,653
Costs of employee benefits including dividends	(270)	(284)	(280)
Dividends payable to non-employee shareholders for the year	(647)	(606)	(633)
Appropriation to reserves	33	633	740

(a) Restated for the impact of the application of IFRS 16

The net residual balance of 2020 profits after employee benefits and distribution to shareholders represents an amount of €33 million, which was allocated to reserves.

3.2.3.3 Promoting gender balance

Workforce by gender

Scope[a]: Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Women	26.3%	19.0%	51.3%	11.3%	56.3%	39.3%	18.8%	18.7%
Men	73.7%	81.0%	48.7%	88.7%	43.7%	60.7%	81.2%	81.3%

(a) Coverage rate: 100% of the Group's headcount (Scope 1)

*The proportion of women working at Bouygues was stable. Gender balance is chiefly an issue at **Bouygues Construction** and **Colas**.*

5 GENDER EQUALITY

As with its customers and society at large, Bouygues firmly believes that its success depends on its ability to get the best from the women and men in its business segments. Gender balance fosters creativity and cohesion, thereby significantly improving performance and accelerating the Group's transformation. However, given the predominance of its construction businesses, the Group's workforce has traditionally counted more men than women – which is why it operates a proactive gender balance policy.

In 2017 Bouygues launched a "Group gender balance" plan, setting targets to be achieved by 2020, including quantitative targets in terms of recruitment, promotions and career development.

Results for 2020 show that progress has been made across all these areas but there is still some way to go. A second action plan, covering the 2021-2023 period, is being launched in early 2021, establishing a new set of quantitative targets and a development programme for high potential women.

Since March 2019, the Group has been appointing officers to combat sexual harassment and sexist behaviour across all its business segments in France, as is required by law.

In January 2020, Bouygues Construction finalised its awareness-raising campaign on the issue of diversity. This was then run in France and internationally using the self-assessment tool #meandyoutoo BYCN. All Group employees are requested to self-evaluate how well they can identify and take action against everyday sexism and sexual harassment.

Recruitment

The Group reached a rate of 18.8% female employees in 2020, below the target set for 2020 (21%), although the proportion of women has been increasing since 2017. Some business segments are more appealing to women than others, and the Group wants to redress this imbalance. Men are more represented in the construction businesses whereas at Bouygues Immobilier, TF1 and Bouygues Telecom, the gender split is close to even.

Recruitment is also being targeted so that it contributes to better gender balance in construction, design, finance as well as in communications and human resources. The Group is also working to encourage young women to take up technical professions. Bouygues Construction, Colas and Bouygues Telecom have signed agreements with the non-profit organisation Elles Bougent to make the Group's activities more visible to women throughout France.

Bouygues Construction held its second "Girls on the Move" event, in conjunction with Elles Bougent. This global initiative, taking place in connection with International Women's Day, puts women in the spotlight for a whole week. It promotes the place of women in the construction sector, honours the careers of Group's female technical personnel and engineers, and encourages other women to consider this kind of career. Altogether, 15 different events were held in eight countries where Group entities operate. A total of 75 women mentors joined in the event to give tours of construction sites to 300 female school and university students, in various places around the world.

In Myanmar Bouygues Construction took part in Career Talk, held in universities. In 2020 this concerned Yangon Technological University and Thanlyin Technological University. Seasoned female employees of the Burmese subsidiary were selected to share their knowledge, experience and career goals. The purpose of this programme is to show that women engineers are active in this subsidiary and fulfil varied roles, while promoting different ongoing and completed projects and attracting young talents to the Group.

AW Edwards, the Australian subsidiary, is a member of the National Association of Women in Construction (NAWIC). The goals of this trade body are to encourage women to pursue, establish and maintain successful careers in construction by offering a forum for exchanging information, ideas and solutions. Currently, its main objective is to achieve better gender equality in the sector. One of the events held was an evening shining the spotlight on women working in the construction industry and what they have achieved.

Dragages Hong-Kong supports the "Women in Science" programme, initiated by the French International School of Hong Kong with the aim of promoting scientific professions and informing pupils about the existence and importance of women in science. Its target audience are girls of secondary school age. The programme includes an exhibition on the unacknowledged scientific contributions of women, plus lectures and coaching sessions with various business partners, and site visits, debates and round tables.

Within Colas, all subsidiaries in southern Africa work hard to promote gender equality, based on an equality scheme containing specific targets for the employment of women. In Morocco, meetings were held between Colas engineers and students to highlight and encourage unconventional career paths for women working in scientific disciplines.

Gender equality is a top HR policy at Colas UK. Various initiatives are undertaken, such as visits to girls' schools or workshops to encourage core suppliers to adopt principles of diversity, fairness and inclusion.

TF1 has introduced – for both external and internal recruitment – the rule that at least one woman must be included in final shortlists for recruiting managers and journalists.

Promotion and equal pay

Bouygues is intent on promoting equal access to career advancement and internal promotion. Each Group business segment had set targets to be reached by 2020 for increasing the number of women in management positions worldwide. In France, the Bouygues group's target was achieved in 2020, with 20.7% of employees occupying the grade of department head or higher female. Concerning executive body representation, the Group was targeting 23% by 2020 in France. The proportion of women on executive bodies in 2020 was 21.1%, an increase of 2.8 percentage points over three years. The Bouygues group is aiming to achieve equal pay in all its business segments. Where there are gaps, specific amounts can be allocated. The business segments take care to ensure that male and female employees receive pay rises in equal proportions.

At TF1**,** special attention is paid to the issues of equal pay and women's promotions during annual pay reviews, especially for positions of department head or higher.

At **Colas'** operations in Mayotte (a French overseas department), an equal opportunities scheme is currently in force, covering recruitment, training, skills development and promotion. This subject is systematically discussed during annual negotiations. On Reunion Island, the equal rights agreement signed 2017, supported by actual metrics, continues to exert positive effects and has resulted in a more representative proportion of women. In addition, welcoming young people from all backgrounds and levels of qualification remains a policy.

In Mauritius, even though women do not traditionally go into paid employment, a higher proportion of women has been seen on worksites in the post-Covid period, as exemplified by the hiring of the first two women site workers.

19.5%

In three years, the proportion of women managers has risen 2.5 percentage points (17% in 2017)

The percentage of women on the TF1 Management Committee (150 top group managers, including Newen and Unify) has risen from 29% in 2014 to 45% in 2020.

TF1 sits in 22nd place in the 2019 Ethics and Boards ranking – and first amongst media companies - for the level of female representation in the executive bodies of SBF 120 companies.

Bouygues Telecom made it a rule that as many women as men should be promoted to department head or higher roles in 2020. Thanks to this measure, 30.2% of employees holding this grade were women compared with a target of 29% set for the end of 2021.

In France, of the 44 Group companies with over 250 employees, 31 have a gender-equality score equal to or above 75%. Only eight were unable to calculate the index because some sample groups did not contain a sufficient number of women. Five achieved a score below 75.

Career development

Support initiatives are offered in various forms within the Bouygues group to improve women's career prospects.

The annual Group-wide mentoring scheme for women (mentored by either a man or a woman) was run for a third time in 2020. A total of 148 women have been mentored through this scheme since it began.

Mentoring schemes are also operated individually by Bouygues Construction, Colas, TF1 and Bouygues Telecom. TF1 and Bouygues Telecom have extended their programmes in conjunction with Cisco and Ciena. Training courses in leadership for women are offered by TF1 and Colas.

Almost 800 female employees of the Group have completed the mentoring programme in France since 2014.

Colas offered 52 female employees either a leadership development training course (*Leadership au Féminin*) or a year of mentoring with a Colas or Bouygues SA manager, depending on their grade and professional needs.

In January the first international leadership event was held, based on the earlier French event but specifically adapted to female employees working in units outside France. Two streams were held simultaneously, one in French and the other in English, so that the 24 participants would have a chance to meet and converse outside the sessions.

The week-long programme also gave them the opportunity to visit the head office and meet with their operational sector heads.

At **TF1,** the cohort for the "One's" training scheme for high-potential employees was 54% female in the 2019/2020 season.

Women's and mixed networks

Bouygues Construction, Colas, TF1 and Bouygues Telecom all run women's and mixed networks offering a wide range of activities, from conferences and mentoring workshops on how to market oneself, to informal chats. In the year under review, Bouygues SA launched its mixed network under the name Bytogether.

The aims of these networks are to raise awareness amongst employees about gender balance, to fight harmful stereotypes and to contribute to the career advancement of women inside the company.

In early October 2020, the WeLink, Bouygt'elles and Bytogether networks participated in the Odysséa charity run to help raise money for breast cancer research. A total of 300 Group employees in France took part, each running in their own locality.

On 10 October the We network at Colas took part in the "SineQuaNon Run", held to draw attention to the issues of gender equality and sexism. Altogether, 271 Group employees from 15 different countries took part in this charity run.

In connection with the Group's partnership with the Women's Forum for Economy & Society, a delegation of 80 employees from all its businesses, both in France and abroad, attended the first fully on-line forum, on 18 and 19 November 2020.

Breakout rooms by theme (Inclusion, Artificial Intelligence and Tech, Health, Business and climate) were set up to enable participants to get the most out of the event. After the event, a presentation was made to the Group Human Resources Committee and then to the Group's CEO, Olivier Roussat.

Proportion of women in the Group

Scope[a]: Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Women of Staff status[b]	26.3%	26.5%	51.3%	22.1%	56.3%	39.3%	28.8%	28.9%
o/w women with Manager status[c]	19.2%	16.5%	27.1%	9.6%	47.6%	29.6%	19.5%	19.2%
Women with Worker status[d]		9.4%		2.9%			5.9%	5.8%

(a) Coverage rate: 100% of the Group's headcount (Scope 1)
(b) Supervisory, managerial and technical employees
(c) In France, managers are employees who are department heads or higher; internationally, they are employees who are part of a management body
(d) Site workers

3.2.3.4 Hiring people with disabilities

The Bouygues group's policy is that everyone should be actively involved in supporting people with disabilities.

A structured disability management policy is now in place in all business segments of the Bouygues group, coordinated by specific officers. With this in mind, Martin Bouygues signed the national Manifesto for the occupational integration of people with disabilities in 2019. This charter of operational commitments aims to ensure that people with disabilities are better catered for in the world of work. Its four main sections frame the Group's actions:

Recruitment

Recruiting takes place through forums as well as membership of organisations or use of specialist recruitment agencies.

In the year under review, the business segments made a concerted effort to recruit persons with disabilities despite the challenging health context. Using the digital resources at their disposal, employees at Bouygues Telecom participated in the Hello Handicap recruitment forum, while employees from Bouygues Immobilier took part in the Open Forum, organised by ESSEC[a], meeting with students and recent graduates.

TF1 set up partnerships with charities and higher education institutes such as GEM[b] (which offers a certificate in enrolling persons with Asperger's syndrome into data-oriented roles) and Jaris Canda (a charity assisting in the occupational integration of people with disabilities). In 2020, TF1 signed its fifth Disability agreement in continuation of its proactive policy in recruitment and job retention, awareness and training, and collaboration with the disability-friendly sector. Under the terms of this agreement, 24 people with disabilities will be hired on a fixed-term or permanent basis (at least six on permanent contracts) and a further 12 higher-education interns will be hosted over three years.

Keeping the disabled in employment

Keeping the disabled in employment is made possible by improving access via the adaptation of workstations and equipment as well as promoting career development through core expertise training.

Since 2019 training on how to keep employees at risk of incapacity in the workplace was held for all the HR departments of the Group's business segments. The objectives of this training were finding solutions for employees who are regularly off work and knowing how to anticipate possible occurrences of incapacity. **Bouygues Immobilier** signed its fourth agreement on the occupational integration and ongoing employment of disabled people. This agreement was approved by DIRECCTE[c]. **TF1** granted extra days of leave to parents of disabled children or carers of disabled family members, dividable into half-days.

Raising awareness and communicating

The aim is to encourage employees and managers to change their view of disability.

The Disability Task Force at Bouygues Telecom visited a number of customer relations centres in France. The objective is to dispel common myths surrounding disabilities and explain its role, through presentations, discussions and information sessions. Bouygues Construction offers the "Me And You Too" application to all employees, enabling them to test their knowledge about disabilities in the workplace. It also took part in "Duo Day", a government initiative for companies to host disabled people and give them a close-up tour of their business, so that they could find out about various professions and forge ties.

Colas trained some 270 HR managers on the issue of risk of incapacity, showing how to prevent it, especially among site workers. In addition, a communication campaign was launched to combat preconceived ideas (and prejudices) about disabilities. Four posters aimed at debunking preconceived ideas about disabilities were displayed and disseminated on the Yammer network at the rate of one per week.

In Mayotte, regular morning events were held on the topic of disabilities in conjunction with Colas HR officers.

In the UK, disability-awareness actions have earned Colas Ltd model-employer status since 2017, in particular thanks to the Be Fair certification that it has been awarded. The company was also asked to present its initiatives at the Highways England industry event.

Outsourcing to the sheltered and disability-friendly sector

The Group's companies subcontract to sheltered workshops and disability-friendly companies. **Bouygues Immobilier** signed a partnership with GESAT, which supports employees as well as purchasing staff when they tender contracts to the sheltered sector. In addition, co-contracting agreements, relying on service providers using the sheltered sector's services, were also signed to enable disabled workers to work at Bouygues Immobilier's head office and for print work. Employees at **Bouygues Telecom**'s Purchasing department received further training from Handeco on working with the sheltered and disability-friendly sector.

Initiatives are also conducted outside France. For example, since 2018, **Bouygues UK** has been certified a "Disability Confident Employer", in recognition of its initiatives to support workers with disabilities.

(a) A business school.
(b) Grenoble École de Management.
(c) The French regional government agency with responsibility for labour matters.

Employees with disabilities

Scope[a]: France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Number of employees with disabilities[a]	5	632	35	865	90	300	**1,927**	1,860
Number of employees with disabilities hired during the year[a]	0	29	2	14	14	12	**71**	61
Sales with sheltered workshops and disability-friendly companies during the year (in thousands of euros)	0	1,089	253	1,224	658	258	**3,482**	4,455

(a) Coverage rate: 51% of the Group's headcount (Scope 2)

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

The number of employees with disabilities rose by 3.6% relative to 2019. Sales with sheltered workshops and disability-friendly companies were impacted by the pandemic.

3.2.3.5 Encouraging diversity

The Bouygues group's Code of Ethics states that "*The Group seeks to apply a fair policy of human resources that complies with the law. The Group will refrain from, in particular, all discrimination on unlawful grounds.*" Fair treatment for all and equal opportunity are among the principles of the Human Resources Charter and apply to all aspects of the employee's career, from recruitment and training to promotion, information and communication.

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

Bouygues aims to promote diversity in terms of professional experience and qualifications, at the hiring stage and thereafter. Equally important, occupational integration is managed through a variety of channels, such as direct hiring, outsourcing to occupational integration companies or to temporary employment agencies specialising in occupational integration. In addition, the Group ensures that its commitments in this domain are respected by subcontractors and Chantiers Ecoles, and integrated into its training programmes (for more information on occupational integration see section 3.4.1 of this document).

Bouygues Immobilier is a founding member and director of the E2C school, near Paris, which aims to give a second chance to young adults who are estranged from the job market. E2C takes in young people without qualifications, aged between 18 and 25, who are aware that they have not acquired a sufficient academic level to hold down a job but are ready and willing to engage in a process of occupational integration.

Managers are seen as pivotal in modelling inclusive behaviour. Signalling its commitment to fostering diversity and inclusiveness at every level of the organisation, the Group in 2020 launched a new training module entitled "Inclusive management and performance" for 450 senior managers and members of the Group Management Meeting.

This diversity policy is promoted by the Diversity committee, which met four times in 2020 with business-line specialists to share best practices and define joint actions.

Awareness-raising and training to fight discrimination in all its forms

In response to a new legal obligation to provide training in non-discrimination, specific modules have been introduced in each business segment.

In 2020, **Bouygues Construction** held a nationwide diversity-themed tour around France. The objective was twofold. The first was to make employees aware of the diversity actions, resources and experts active within the Group. The second was to inform employees and raise awareness through informal conversational sessions. Bouygues Construction's commitment to fighting discrimination covers a wide range of domains: disability, background, diversity, academic achievements, sexism, religion, sexual orientation and occupational integration. Bouygues Construction encourages employees to take hold of what diversity means in all its forms. It does this through a combination of fun activities, quizzes, leaflets, freebies and the work of Terres Plurielles, its corporate foundation. It also promotes working with disability-friendly companies.

Bouygues UK continues to promote diversity and inclusiveness. Its Be Yourself Committee, composed of the women's network "Welink UK", the LGBT+ Encompass - LGBTQ network, the Disability Network and the employee support network "WellBYES", meets on a regular basis to discuss best practice and hear about the various initiatives carried out by these networks.

At UK entities, 3 March 2020 was Diversity and Inclusion Day, bringing together more than 200 employees to promote the work of the Welink UK, Encompass - LGBTQ, Disability Network and Kaleidoscope - BAME networks among Bouygues companies in the UK. It also marked the signing of a charter of fairness, inclusion and respect by the various UK entities. This aims to ensure fair pay, promotion and equal recognition, uphold respect for diversity and enact discrimination-free recruitment. It also seeks to safeguard work-life balances and prevent hostile or harassing behaviour.

In November 2019 **Colas** launched a compulsory on-line training course for managers in France (more than 1,200 people) to supplement the non-discrimination training dispensed to recruiters. Entitled "Living together in diversity", this module tackles seven discrimination-related themes: gender, age, background, disabilities, religious beliefs, trade union membership and sexual orientation. Additional sessions were held in 2020 as part of continuing efforts to combat discrimination in all its forms, even when unintentional.

In the UK, Colas Ltd, which is certified Be Fair, is very active in the implementation of its diversity policy It works to ensure the occupational integration of specific categories of individuals, most notably veterans, people with disabilities and the long-term unemployed. In recent months, a programme for helping former offenders develop their interview skills was started.

In Canada, where harassment is considered a form of discrimination, a range of policies have been put in place, such as the Harassment Awareness Policy, to fight discrimination and guarantee employees a welcoming working environment. Members of the WE Canada network have developed action plans based on strategic pillars such as training, mentoring, induction films and use of indicators.

In the US, a helpline is available nationwide to report cases of discrimination. In addition, the twofold initiative implemented in 2019 was built upon. This involves:

- coordinating the We USA women's network, to strengthen dialogue and networking;
- participating in a forum for women engineers, to facilitate recruitment from within this category.

TF1 ran a 'serious game' with the title "Recruit without discrimination", aimed at raising awareness among HR teams active in the recruitment process.

Bouygues Telecom has launched "Diversi'talks", which aim to illustrate how diversity contributes to its corporate mission of bringing people closer together. The first two such events were led by Joseph Schovanec, the autistic author of the book Voyages en Autistan, and Virginie Delalande, France's first deaf lawyer.

Workforce by age range

Scope[a]: Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Under 25	5%	8.8%	10.2%	6%	9.1%	11%	7.8%	8.1%
25-34	25.7%	28.8%	30.4%	20.4%	30.3%	33.7%	25.7%	25.5%
35-44	28.5%	27.4%	30.3%	26.6%	26.3%	31%	27.3%	27.3%
45-54	26.3%	22.2%	21.7%	27.9%	24%	20.3%	24.5%	24.9%
55 and over	14.5%	12.8%	7.4%	19.1%	10.3%	4%	14.7%	14.2%

(a) Coverage rate: 100% of the Group's headcount (Scope 1)

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

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3.2.4 Development of careers and employability

To help its employees advance in their careers, the Bouygues group endeavours to create an environment in which they can develop their employability and enhance their job skills through support and training programmes.

Inducting, training and advancing careers are the three main ways in which this policy is implemented.

3.2.4.1 Inducting new employees

1,949

people on work/study contracts in the Group

Work/study contracts, end-of-study internships, international business internship programmes, mentoring, and Group and segment-specific induction days are all ways used by the Bouygues group to onboard new recruits successfully. For example, the training of young people through work/study contracts helps form a large recruitment pool for the Group's business segments – covering all levels of qualifications, from vocational high-school to postgraduate level. This resulted in 138 talented young people being recruited into international business internship programmes by Bouygues Construction and Colas in 2020. Graduate programmes run by Bouygues Construction, Bouygues Immobilier and Colas, together with digital induction processes (including serious games and MOOC[a]) also help settle younger employees in.

In 2020, **Bouygues Construction** started rolling out ByWelcome, its digital induction platform, which can be used by new employees to complete paperwork and sign their employment contract on-line. It also provides useful information such as a presentation of the Group and its business segments, HR policy and ethics guidelines. In addition, e-learning modules will shortly be offered on the platform.

Bouygues Immobilier has developed its own induction process, BI Quest, for all its new hires. Since 2019, the emphasis has been placed on the new corporate strategy and related CSR targets.

Some young junior managers at **Colas** in France follow an induction process in the field. For example, a site engineer can train alongside teams on construction sites before gradually being given responsibilities. Induction takes place in various locations in France in different subsidiaries. Trainees may alternatively work within a single region for one subsidiary. In 2020, 30 positions for this nationwide induction scheme were filled.

(a) Massive Open Online Courses.

Consideration is being given to whether some stages could be completed outside mainland France.

New managers then attend their first Colas University seminar. The aim is to develop self-reliance, responsibility, teamwork, knowledge of the Colas group and cross-disciplinarity. The budding engineers then can quickly take on management responsibilities in the various lines of business.

In addition to its induction process for new employees, TF1 is developing specific schemes for its work/study students and interns. These include a series of on-line informal chats, beginning in 2020, thanks to which they can converse with employees and gain a deeper understanding of the group's business environment, activities and challenges.

Bouygues Telecom annually recruits over 500 conventional and work/study interns, hoping that many will go on to fill junior positions that become available at the company.

3.2.4.2 Promoting career advancement within the Group

Encouraging mobility

Internal job mobility is positive for Bouygues group employees' careers and their employability. Teams and mechanisms in each business segment assist in the dissemination of job offers, promote diversity in Group-based opportunities and support employees seeking internal mobility opportunities.

The Group's Internal Job Mobility unit supports HR departments in the business segments to help promote employee mobility. An enhanced version of the Mobyclic digital job portal now offers the following services:

- job board covering all the business segments, with the possibility of applying on-line;
- vacancies tailored to employees' personal profiles, based on skills analysis by "CV Catcher", an AI resource implemented in 2020 to improve the experience for internal applicants and support employees in assessing their career options;
- arranging on-line career workshops discussing mobility-related issues such as highlighting applicants' CVs and skillsets and boosting their profiles.

In France, the Group's mobility staff are guided by quarterly Group mobility committees as well as regional mobility committees, together with the Group redeployment committee.

Talent incentives

Identifying, retaining and developing talent is the key consideration at the heart of the mechanisms put in place by the Group's business segments. They promote performance and enhance commitment from individual employees. These mechanisms encourage innovation through diversified career paths and access to the Group's management-training courses.

- Career committees are active within each business segment. Policies for retaining talent are operated by business-segment HR departments so that the specific development needs of their employees and operations can be taken into account.
- Group-wide committees bringing together HR staff and managers from every business segment have been meeting, resulting in broader career options for HR and IT personnel since 2017 and for Legal Affairs personnel since 2019.

The Group also strives to reward professional conduct and mindset among its best site workers through the Minorange Guild[5]. Bouygues Construction and Colas have 16 such site worker guilds, active in the Group's main locations. Bouygues Telecom recognises competence and customer service acumen through the Customer Advisors Club. Similarly, the expertise of its engineers is recognised by co-option to the Bouygues Telecom Experts Club.

In 2020, **Bouygues Construction** instituted new rules governing internal job mobility, launching the Smart Moov'in platform to publicise opportunities. It also houses a full range of resources and information materials on the subject such as the mobility charter, the expat handbook, country info guides and a mobility simulator. Bouygues Construction has also continued with its talent-sourcing initiatives, for example launching meet-ups in France and abroad as well a new career-projection platform. It is also attentive to the hopes and dreams of the young people that it meets. Lastly, succession plans are used to plan ahead. In 2020, the "World Club" continued to develop its network of global high-flyers. This second year of the programme brought together 33 people across all lines of business, from 15 countries. In 2020, 18 high-flyers from all entities and professions were able to talk one-on-one with members of the Management Committee as part of the Chance to Meet programme.

To support its transformation and the changing nature of its business, **Bouygues Immobilier** concluded a collective performance agreement focusing on internal job mobility, with reassessments of the mechanisms available to each employee. Every year approximately 200 Bouygues Immobilier employees switch job or location.

The job mobility policy pursued by **Colas** has long been a key element in its approach to career development. It aims to facilitate mobility between different jobs and/or regions within the group, to fulfil employees' aspirations and to cover its own needs. The "One Colas" project embodies Colas' policy of adding an international dimension to its already gifted workforce.

In 2020, it created the first-ever worldwide reference base for job positions, covering every business sector and highlighting key positions and the accompanying skillsets. The system, used for remote annual appraisals, helps trace a clearer career path for employees, especially in connection with internal job mobility. More broadly, it is part of a new career management policy, pinpointing development initiatives that employees should undertake. For now it has been rolled out to France but it will gradually become available in all of Colas' national markets.

In 2020, over 80 **TF1** employees attended career workshops. All in all, 31 sessions were held, either face-to-face or remotely. In addition, more than 90 individual interviews were held to give employees personalised feedback.

Bouygues Telecom has since September 2020 offered a new forum for internal job mobility and employee referrals. To encourage mobility, it has instigated the 3/6/9 rule whereby employees change role every 3, 6 or 9 years, depending on their experience. The rule has been added to managers' targets, with the aim of having 70% of careers fulfilling this mobility-related objective.

3.2.4.3 Developing skills by offering a varied range of training courses

The Training and Corporate University departments in the five business segments aim to develop – through grassroots initiatives – the technical and managerial skills of employees in the short and longer terms, at every level of the organisation. The Bouygues Management Institute (IMB) provides information and training for the Group's 500 leading managers, bringing them together around a range of shared values, assisting their personal development and facilitating the creation of inter-disciplinary networks.

All business segments have introduced digital training platforms.

Supporting career development

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

The Gustave Eiffel apprentice training centre (specialising in construction-related jobs), in which the Group has been heavily involved, has for several years offered in-service training as well as providing expertise in inducting and training people on work/study or occupational-integration contracts. In 2020, it hosted 460 people on work/study contracts, up 15% relative to 2019, and achieved an exam pass rate of 95%. In total 35% of this grouping was able to join Bouygues Construction or Colas.

In September 2020, the Gustave Eiffel apprentice training centre (CFA) began offering an electrical engineering vocational qualification. Several apprentices from Bouygues Energies & Services enrolled for this course after completing their vocational "bac professionnel" last year. A second cohort of people on professional training contracts with Bouygues Construction were able to attend a course leading to a postgraduate qualification in project management.

Transforming learning and training methods

All five of the Bouygues group's business segments have on-line training platforms: Bouygues Construction (Byle@rn), Bouygues Immobilier (BY Learn), Colas (Colas Campus), TF1 and Bouygues Telecom (e-campus). As a general rule the pandemic and teleworking accelerated the shift to on-line training, concurrent with the development of new sources and formats (virtual classes, chats, conferences, and e-learning modules).

Each business segment introduced specially tailored content. Managers were also trained in remote team management. Practical guides and support tools were used in support of training activities at some group entities.

BYLearn, **Bouygues Construction**'s training platform, offers employees the chance to share expertise on an everyday basis, through the "Connect your Knowledge" service, thereby giving employees an active role to play in training each other and encouraging them to impart their expertise. During the lockdown, BYLearn and external training resources were made available on this platform. Some business lines have also offered on-line awareness sessions open to everyone, for example focusing on Bouygues Construction's carbon strategy.

In early 2020, Bouygues Construction University completed its roadshow presenting its digital learning ecosystem, ending its tour in Asia and Australia after visiting France, Switzerland and the UK. More than 1,500 employees have been trained using this module.

In addition, close to 1,600 employees earned their "Digital Passport", an initiative started in 2018 to encourage digital literacy. New modules were added to the programme in early September 2020, focusing on new technologies.

Bouygues Immobilier is keen to develop its employees' skillsets in the context of its corporate transformation. Tailor-made occupational training has been introduced for a wide range of professions. At the height of the pandemic, Bouygues Immobilier ran a series of virtual classes called "Just in time", which lasted between 90 minutes and 2 hours and provided an opportunity to discuss topics such as getting back to work after the lockdown and the Mode project. Bouygues Immobilier also used its on-line training platform to host an increasing number of training modules. As a self-service system, these modules can be accessed remotely so that each employee can train at the pace they want, according to their needs. This is in addition to classroom-based sessions.

Colas invests in training for each of its subsidiaries through skills development plans, which are officially up and running in 99% of its locations. These plans apply the training policies decided on by Colas' HR division, focusing on health & safety and accident prevention, which accounts for the largest share of investment in training. In addition to the opportunities available Colas-wide, each subsidiary offers training according to its particular business needs.

The Colas training department is also increasing its global reach using its digital platform, under the impetus of plans to create a worldwide training service. This will give all employees the same high-quality opportunities to develop their skills in line with their expectations. The One Colas Excellence tutorials have been rolled out to more than 30,000 employees, with the aim of driving operational excellence by ensuring that key techniques and stages on worksites have been properly understood.

Face-to-face training is also being rolled out worldwide. For instance, the first international class for the "Leadership au Féminin" course brought together 15 female managers from a wide range of backgrounds.

In addition, Colas will soon be implementing its new English-speaking university programme for non-French-speaking managers, which was postponed because of the pandemic.

In health & safety, the One Safety project continued, in conjunction with Dupont. Reflecting the pandemic, the end-2020 results were lower than expected. Some 2,000 employees had been trained. The target for end-2021 is 9,000.

In 2019, the four Colas University courses had 380 participants, guiding them through the key stages of their career development. Of these, 88 came from international subsidiaries.

International

The main training projects outside France are as follows:

- **French overseas departments/Indian Ocean zone:** In Guadeloupe, a two-year training course with the CFCTP in Egletons was launched in 2019, targeting superintendents and team leaders. On Reunion Island, a special course on mastering industry fundamentals and achieving operational excellence was offered to superintendents (construction, civil engineering and public works).

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- In the **US,** a specific training programme for disseminating safety culture was introduced at Branscome, in conjunction with Caterpillar. A section on business ethics and compliance was added to the PathWays training platform. Despite the pandemic, a comprehensive offer of more than 4,000 on-line training modules was made available to employees at US subsidiaries.
- In **Canada,** in addition to the extensive range of long-standing training offered by Colas Canada Training, various training academies were set up within companies, such as the McAsphalt Institute of Training and the Miller Institute of Excellence.
- In the **British Isles, Middle East and Asia region,** the Middle Eastern unit of Colas hosted a module on "management and leadership in a world of change", which took place in Dubai during October 2019. It also ran skills assessment training in connection with the skills review initiated in that zone.
- In **Ireland,** training was dispensed on driving a spreader for applying road surface treatments to the standards set by Colas Ireland and the national authorities.
- In **southern and eastern Africa,** training courses on new technologies and techniques that impact Colas' businesses (basic road techniques, asphalt and safety) have been developed.
- In **Europe,** Colas Poland ran a new workshop on energy management and efficiency. In Denmark, Colas ran its first asphalt training scheme in collaboration with the trade organisation Asphalt, a leading Danish trade union (3F) and the main Danish companies in the sector.

In addition, a new class of APIL University (set up in 2017 for senior managers) brought together a panel of employees from various Colas national markets, particularly from central Europe, Africa and the Middle East.

In April 2020, TF1 University offered a new remote masterclass format, "1 hour with...", during the lockdown. During this live meeting, specialists from inside and outside the company broached topics linked with its ecosystem as well as working methods and shifts in society. The format became bimonthly once the lockdown was lifted.

Bouygues Telecom continued to offer a range of diploma courses, concentrating on project leadership and management. During lockdowns, Bouygues Telecom made 30% of its usual training modules available on-line and boosted access to digital training with help from on-line universities.

Training

Scope[a]: France - International (companies with more than 300 employees)	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Number of trained employees	208	32,234	1,230	37,937	1,199	7,357	**80,165**	**83,612**
Number of training days	800	89,303	1,350	111,426	3,084	39,697	**245,660**	**232,681**
Average number of training days per trained employee	4	3	1	3	3	5	**3**	

(a) Coverage rate: 93% of the Group's headcount (Scope 4)

Indicator available at bouygues.com: Training by type in France

3.3 ENVIRONMENTAL INFORMATION

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

3.3.1 General environmental policy

3.3.1.1 Environmental policy

Environmental issues are considered strategic by the Bouygues group as it stakes its claim as a leading provider of solutions for the planet-wide challenges of climate change and resource scarcity. Sustainable construction and urban planning are two such solutions. Consistent with this policy, the Group is also enacting indicator-driven initiatives to limit then reduce the environmental impact of its operations.

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

In the design phase, all business segments factor environmental issues into a part of their products and services. At the construction businesses, this is embodied by:

- environmental labels and certifications for their products (BREEAM®, LEED®, HQE™, BBC-effinergie®, BiodiverCity®, Minergie®[a] , E+C-[b] , BBCA[c], etc.);
- promotion of the circular economy by helping create the BBCA label, which recognises circular economy criteria, such as selective deconstruction methods, throughout a building's lifecycle;
- optimising and maximising recycling on worksites; and
- lifecycle assessments and the provision of eco-friendly alternatives (via Seve[d] software, for example).

Sustainable construction and research into environmental solutions are a key focus of innovation at the business segments Bouygues Construction, Bouygues Immobilier and Colas.

Bouygues Construction indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
R&D budget spent on CSR	Global	96% of Bouygues Construction's consolidated sales	32%	34%	R&D at Bouygues Construction continued to work in the eight research areas identified in 2017, knowing that these dovetail with corporate strategy. In 2020, the proportion of CSR-related R&D expenditure was stable, on a par with R&D expenditure on customer products and services. The focal points of CSR research in the year under review were materials and structures, energy efficiency and connected buildings. Materials remained pivotal to research efforts, including low-carbon concrete. Formulations were trialled in partnership with Hoffmann Green Cement Technologies (since 2019). In energy efficiency, Bouygues Construction R&D designed a project encompassing all the stages of energy renovations. The R&D unit researching connected buildings expanded as a result of the BOS (Building Operating System) project, a solution amalgamating all of a building's incoming and outgoing data so that any type of software service platform can be interfaced with its facilities.

(a) Minergie® is a pan-European performance label originating from Switzerland. It is mainly prescribed by Losinger Marazzi, Bouygues Construction's Swiss subsidiary.
(b) The E+C- (Energy + Carbon -/Positive-energy building and Carbon Reduction) label is a regulatory pilot label that is a forerunner of future energy rules. The government broadly consulted with stakeholders in designing the methodology, which resulted in the publication of guidelines and a technical reference base, criteria of which are incorporated into the BBCA and Effinergie 2017 labels.
(c) The BBCA low-carbon building label certifies that a building has an exemplary carbon footprint.
(d) A system for assessing eco-friendly alternatives.

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Buildings in the annual order intake with a commitment to environmental labelling or certification prescribed by Bouygues Construction	Global Construction activities	46% of Bouygues Construction's consolidated sales	63%	58%	Whenever Bouygues Construction acts as a designer/builder, it endeavours – wherever possible – to include environmental certification and/or labelling commitments that exceed applicable regulations. This percentage increased thanks to a stronger performance by Bouygues Bâtiment International, which in line with its strategy aims to take on a greater proportion of design/build responsibility in order to promote use of certifications. This resulted in a higher percentage in the year under review (24% to 50%). At Bouygues Bâtiment France Europe, this indicator edged down (81% to 78%) due to exceptionally higher order intake in 2019 by business units pledging commitments in the vast majority of their projects. Bouygues Bâtiment France Europe intends to make inroads into design/build roles so that it can promote solutions that surpass current regulations.

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

In addition to these tools, the Bouygues group's construction businesses have developed their own methods for assessing environmental performance that factor in the specific features of their respective activities:

- Bouygues Construction's TopSite label (see paragraph 3.3.1.2); and/or
- Aa Colas, environmental self-assessment checklists (covering 86% of Colas sales) and Unicem[a] environmental charters covering extractive industries.

As part of its internal processes, the Bouygues group implements an environmental certification policy governing the construction and operation of its own buildings. The headquarters of Bouygues SA, Bouygues Construction, Bouygues Immobilier and Colas as well as Bouygues Telecom's Technopôle (near Paris), Printania (one of its customer relations centres) and data centre sites carry this certification.

Given the type of products and services offered by the Group, environmental-performance policies and initiatives applied when structures are in the operating phase are crucially important. For example, Bouygues Construction and Bouygues Immobilier support customers in managing and limiting their final energy consumption. Their offers include performance commitments in the form of Energy Performance Contracts (EPC) for commercial and residential properties (see paragraph 3.3.4.2).

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

3.3.1.2 Environmental risk prevention

Risk analysis

In general, environmental risk prevention requires early-stage analysis that maps or assesses the risks connected with production sites or fixed business-related locations.

The main environmental risks are identified in chapter 4 of this document, in sections 4.1 Risk factors and 4.3 Vigilance plan.

Environmental management systems

As an integral part of CSR policy at Bouygues, implementation of an environmental management system is one of the four actions that the business segments pledge to improve the Group's environmental performance. Standards (ISO 14001, ISO 50001 and ISO 9001) and the environmental certifications (HQE™, LEED®, BREEAM®) enacted in Group operations provide a framework for environmental management.

To reduce environmental hazards on Bouygues Construction worksites and at locations operated by Colas, both business segments rely on environmental management systems largely based upon ISO 14001.

These management systems incorporate a risk assessment and procedures by which entities can address the environmental issues relating to their particular activity.

(a) France's national association of quarry and construction materials industries.

Bouygues Construction indicator

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Sales covered by an ISO 14001-certified EMS[a]	Global	96% of Bouygues Construction's consolidated sales	94%	94%	Management of environmental impacts in Bouygues Construction's operations is enhanced by a risk prevention policy based on an ISO 14001-certified environmental management system that is used almost universally. As a result, in 2020, 94% of Bouygues Construction's sales were covered by an ISO 14001-certified EMS, unchanged from the previous year. Firms recently acquired by Bouygues Energies & Services (excluding Hamburg and Ebling) are also covered by this certification, thus keeping this indicator at a high level.

(a) Environmental Management System.

At Colas, ISO 14001 environmental certification is rolled out to cover over half of the sales of fixed locations, especially materials production sites. Annual cross-audits of subsidiaries in Belgium, mainland France and Switzerland, conducted by specially trained internal auditors, serve to evaluate facilities and reinforce environmental hazard prevention This procedure will be introduced to other geographies starting in 2021.

Internal procedures

The Bouygues group's business segments have implemented their own internal environmental management systems and labels so that the environmental risks pertaining specifically to their type of activities can be better managed.

- Environmental checklists, used by Colas in France and internationally for over 15 years, target ten different types of permanent facilities: mixing plants, extraction sites, binder plants, bitumen deposits, concrete batching plants, recycling platforms, waste storage installations, workshops, storage facilities and laboratories. All such units conduct an annual self-assessment, using the checklist specific to their operations. More than 100 environmental imperatives determined by Colas are contained in each checklist, split into five broad areas: administrative management, site organisation and storage, management and monitoring, impact and risk management, and dialogue with local communities. In 2020, 72% of facilities undertook this self-assessment, representing 2,274 checklists completed compared with 3,175 permanent facilities. The findings from the checklists are used to:
  - determine the level of environmental safeguarding for operations;
  - pinpoint areas of non-compliance that could impact the environment.

  Actions are then defined to improve environmental management for these operations.

  Chloé is a new digital platform for managing these checklists, launched in 2019. It aims to:
  - facilitate their full roll-out to all Colas locations;
  - centralise data to produce score cards.
- Bouygues Construction continued rolling out its own TopSite label, which covers environmental, social and HR-related issues as well as innovation. Certification is steadily being incorporated into processes and managed more consistently, as can be seen from the fact that the percentage of certified sites increased, even though the number of eligible worksites also rose in the reporting period.

Continued roll-out of the TopSite label at Bouygues Construction worksites

TopSite was created by Bouygues Construction to ensure that CSR standards are properly complied with in the over 60 countries where its entities operate. Roll-out began in June 2018. It covers environmental, health & safety and quality standards, which were already covered by the now-superseded Ecosite and "Chantier Bleu" labels. However, TopSite goes further because it also imposes social and community-related standards on production sites, for example in terms of fighting illegal labour, customer satisfaction and the worksite's contribution to the local economy.

The scorecard applies both to building-related activities and to infrastructure, energy and services. All themes are weighted equally. Earning the TopSite label reflects a determination to deliver excellence in every aspect of CSR. Group worksites lasting longer than six months and with sales of over €3 million are eligible for consideration. The worksite in question must meet 16 criteria on the scorecard, and earn two bonus Innovation & Best Practices points (all themes combined), to obtain the TopSite label or five bonus points (at least one in each theme) to obtain the TopSite Innovation label.

Two years after launch, TopSite is being rolled out on Bouygues Construction's worksites:

- Bouygues Construction undertakes to act as a responsible corporate citizen wherever it operates, with the aim that all eligible worksites will in due course earn the TopSite label. To date 45.6% have been assessed. Each continent has at least one TopSite. In Turkmenistan, the five projects signed in 2018 by Bouygues Bâtiment International have all been granted the TopSite label, including two with TopSite Innovation. A sixth project is awaiting validation. A total of 24.4% of Bouygues Construction's worksites had the TopSite label in 2020, bearing in mind that a number of exceptional events such as the cyberattack and Covid-19 impacted the assessment process.
- TopSite is being implemented across the entire scope of Bouygues Bâtiment France Europe. It is playing an active part in achieving the 30% target for TopSite audits, thanks especially to the dedication of its non-France business units (central Europe and Switzerland);
- In Africa, the project by Bouygues Travaux Publics to upgrade the Bouaké-Ferké road link between the centre and north of Ivory Coast was awarded the TopSite Innovation label. This project was praised for its environmental credentials, such as using vinasse[a] to dowse road surfaces instead of water, and efforts to improve conditions in worksite living quarters by installing a relaxation room, gym and a swimming pool, and by introducing self-service bikes;
- Bouygues Energies & Services received the TopSite Innovation label (the first for the western-Atlantic region) for the Landes Center Parcs project in south-west France. Work ranged from the provision and installation of high-voltage/low-voltage networks and the installation of street lighting to the construction of gas networks and a drinking water supply.

Colas indicators

Indicator	Scope	Coverage	2020	2019	Remarks
Environmental certification of materials production sites as a % of sales before inter-company eliminations	Global	100% of sales before inter-company eliminations of the materials production sites	61%	65%	The level of environmental certification of materials production sites was four percentage points lower than in 2019. This was due to a lower level in Canada, especially fewer certifications at Canadian Road Builders Inc. (down 100 pts) and at McAsphalt (down 48 pts).
Rate of environmental self-assessment using Colas checklists[a] as a % of sales before sales before inter-company eliminations.	Global	100% of sales (before inter-company eliminations) of materials production activities for which checklists are applicable	72%	71%	The indicator tracking environmental self-assessment using checklists was stable relative to 2019.
Materials production activities that use a tool to manage environmental impacts (environmental certification and/or Colas checklists) as a % of sales before sales before inter-company eliminations	Global	100% of sales before inter-company eliminations of the materials production sites	83%	89%	This was five percentage points lower than in 2019 across the Colas group, due mainly to a 20-point decline in Canada.

(a) Activities to which the checklist applies: fixed quarries; fixed gravel pits; borrow pits; hot-mix plants; cold-mix plants; asphalt plants; plants making binder, emulsions and/or fixed modified binders; concrete batching plants; fixed prefabrication plants; fixed recycling plants; fixed bituminous binder storage facilities. This excludes some highly specific, low-volume production activities (e.g. steel framing)

(a) Residue from the Bouaké sugar cane distillery; vinasses can also used as a soil fertilizer in cases of rain leaching.

3.3.1.3 Training and raising awareness to help protect the environment

The Bouygues group runs a wide range of training and awareness-raising programmes for employees and externals on the importance of protecting the environment.

Training and awareness-raising at Group level

The Group Sustainable Development-QSE department holds seminars to train Group managers to self-assess their own practices and situate themselves in relation to best practice as defined by the EFQM (European Foundation for Quality Management) model and ISO 26000. The seminar programme – called Abby – has organised 93 sessions up to 2020 (with an average of around 12 participants per session) since beginning in 2006.

Additionally, the Bouygues Management Institute (IMB) training module, Towards the contributive company, aimed at senior executives from the five business segments, tackles the major challenges relating to the societal shifts that are driving changes in the Group's business models.

Lastly, since its launch in 2015, the collaborative intranet network, Yammer Bouygues, has driven synergies across the Group. The major sustainable development challenges (energy-carbon, circular economy, sustainable urban environments, CSR reporting, etc.) are currently managed through this network.

Initiatives by individual business segments

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

- On Bouygues Construction and Colas worksites, teams regularly participate in 15-minute "QSE starter" meetings, thereby raising awareness about the quality, safety and environmental issues specific to the work in progress. One area of focus can be waste and pollution hazards.
- In 2020, Colas launched its first-ever on-line environmental training, in connection with activities on its worksites. This project was initiated by the network of Environment officers at Colas to meet employees' training needs in this area. The first topics were waste management, water and soil pollution, and public acceptance of worksites. In 30 minutes, employees can broaden their knowledge and learn the key messages for safeguarding the environment on their worksites. In 2020 Colas worked with the French Biodiversity Research Foundation to produce the short film, L'aigle et le bousier, on the issue of rapidly retreating biodiversity around the world. Lasting approximately ten minutes, it illustrates five factors that are causing biodiversity to retreat and how Colas interacts with the ecosystems that are portrayed. The short film will be used to inform employees about this issue during meetings, training sessions or awareness-building campaigns. Additionally, it earned two gold awards, in the biodiversity protection category, at the Deauville Green Awards festival and another in the societal issues category at the Fimbacte festival, dedicated to changes in living environment.
- "European Sustainable Development Week" (ESDW) and/or "Mobility Week" are other highlights in the internal communications calendar. Bouygues Immobilier raised awareness among employees about the importance of low-carbon materials through a new on-line training campaign. Open to all staff, it reviews climate and energy fundamentals before suggesting which solutions can be applied when designing its property developments. Meanwhile Bouygues Bâtiment France Europe and Bouygues Bâtiment International held fun and informative workshops ("La Fresque du Climat") for close to 500 employees in eight countries about the mechanisms behind climate change. In 2020, Bouygues Telecom conducted several initiatives, including articles and newsletters, to raise customer awareness about eco-responsible digital technology and related issues. A guide to this subject was also created and distributed internally.

228,494

handsets collected for recycling or re-use

Coverage: 100% of Bouygues Telecom's consolidated sales (France)

- Bouygues Bâtiment France Europe held its own carbon summit, within Bouygues Construction's overall carbon strategy. This summit comprised virtual roundtable discussions, designed to raise employees' awareness of the carbon-related challenges facing the building activities and exploring solutions that could usher in a low-carbon world. Seven thematic workshops, open to all employees and accessible on-line, were held to discuss carbon solutions adapted to the building and civil works sector.

Raising awareness among the general public

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

TF1 raises awareness among viewers year round about the vital importance of safeguarding the environment in many of the programmes shown by its channels and digital platforms, including weather bulletins, and news items and programmes on Ushuaïa TV, a theme channel which celebrated its 15th anniversary in the year under review. It also ran children's awareness-raising campaigns in connection with "European Sustainable Development Week" and "World Oceans Day". Other initiatives included "My Green Letter" by Aufeminin's My Little Paris lifestyle brand, the new "Positive Impact" section devoted to positive solutions and ventures, and the new "Live Ecology" section, encompassing all kinds of subjects in connection with the environment. Unify's digital service also informs its audience via its various platforms throughout the year.

In June 2019, TF1 Pub (the group's advertising sales unit) brought together advertising industry stakeholders for a major event at La Seine Musicale venue near Paris on the theme of responsible consumption. Following up on this event, TF1 Pub created the Eco Respons'ad service, specially tailored to companies whose products carry a label promoted by Ademe (the French environment and energy management agency), as a means of encouraging them to adopt especially responsible communication. TF1 Pub is also the first multi-media advertising sales unit to team up with Goodeed. Since August 2020, TF1 Pub has been marketing this socially responsible advertising format whereby brands donate part of their ad budgets to charities, thus giving give web users the opportunity to make a difference.

TF1 is a co-founder of the Ecoprod platform, through which it trains broadcasting industry personnel in environmentally friendly production techniques.

At Colas, grass-roots dialogue with local residents, which includes information about environmental issues (including biodiversity), has led to higher acceptance of materials production activities. It has also produced a four-minute film in which an actor gave a humorous take on CSR as part of an exercise to set sustainability targets.

In 2020 Bouygues Immobilier's corporate foundation forged a new partnership with VoisinMalin (smart neighbour), a charity that has been working in underprivileged areas since 2011. It does this by recruiting and training local residents who are keen to help others. Its permanent staff, the original 'smart neighbours', provide useful information door-to-door to their neighbours, in partnership with local stakeholders such as social landlords and local authorities. The purpose of this information is to help people improve their daily lives and reconnect with officialdom in everyday matters, from housing and living conditions to fuel poverty and healthcare.

It is currently becoming the practice within the business units of Bouygues Bâtiment France Europe to meet the customer's team at the beginning of projects to present the CSR issues involved. This also helps strengthen dialogue for the subsequent phases.

Furthermore, Bouygues takes part in international events to promote its initiatives and innovations for making urban environments more sustainable and making progress become reality. The pandemic and the government measures meant that the two trade fairs in 2020 in which Bouygues was due to take part (Viva Technology and Pollutec) could not go ahead. As it was unable to present its innovative environmental and social solutions at these events, the Bouygues group produced a digital campaign, "Making progress become reality", to highlight achievements through the use of videos and articles.

3.3.1.4 Provisions and guarantees set aside for environmental risks

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

Pollution risk is included in Bouygues Immobilier's major-risk map. Land-purchasing procedures include preliminary soil testing. Obtaining a report certifying the absence of any soil or subsoil pollution is a necessary precondition before signing a contract for the purchase of land. An exemption may only be granted upon prior authorisation of the vetting committee. In this specific case, cost overruns from decontamination, assessed on a case-by-case basis, are folded into the total cost of the transaction, prior to signature of the land-purchase contract. Because the related financial data are confidential, it is not possible to disclose an order of magnitude for the amount provisioned.

Colas makes provisions for clean-up expenses on contaminated land when the amounts have been determined based on an assessment by an independent firm and when a date for site rehabilitation has been set (by the competent authority, for example) or is otherwise known (upon lease termination, for example). With regard to financial guarantees and provisions for rehabilitation, a large number of quarries and other sites worldwide are subject to specific regulatory requirements when they are no longer operated and require provisions to cover environmental risks during operation. This entails a wide variety of guarantees and practices (such as performance bonds, insurance, escrow accounts and provisions) that depend on national laws. Colas' provisions for on-site rehabilitation commitments totalled €207 million in 2020. To date, there is nothing to indicate that these comprehensive measures are insufficient, either during internal or external audits, or during the investigation of insurance claims.

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

3.3.2 Taking part in the fight against climate change

In late 2020, the Bouygues group was rated A- in the CDP Climate Change List (unchanged from 2019), marking the fifth consecutive year it achieved an A or A- rating. This global list draws attention to those companies most active in the fight against climate change. Additionally, these results were announced before publication of the Group's Climate strategy, unveiled officially on 16 December 2020.

Still towards the end of the 2020, Bouygues officially affirmed its support for TCFD (Task Force on Climate-related Financial Disclosures) principles by signing up to the eponymous platform. Of the four pillars covered by these recommendations, Governance (responsibility for assessing and managing climate change-related risks and opportunities) and Metrics and Targets (as used to manage climate-related risks and opportunities) were already incorporated. Recommendations on Strategy and Risk Management were worked on throughout 2020 as part of the Group's formulation of its Climate roadmap.

In 2017, the Bouygues group – alongside 80 companies and around 40 eminent people – signed the manifesto promoted by The Shift Project. The manifesto, containing nine proposals to decarbonise Europe, calls on European countries to act now and propose policies to achieve a level of greenhouse gas emissions as close to zero as possible by 2050. It was issued in the wake of the Paris climate accord (2015) and aims to encourage Europe to reinvent its economy, most notably by limiting dependency on transport, construction and fossil fuel-related industrial activities. In this context, the Bouygues group has pledged to implement coherent and tangible actions able to meet the challenges of climate change and the need to preserve natural resources.

The Climate strategy was presented to the 400 Group top managers at the Group Management Meeting[a] in September 2020. On 20 February 2020, Bouygues pledged that it would publish a Climate strategy compatible with the requirements of the Paris Agreement before the end of the year, including measurable and quantifiable targets. The concerted efforts made by the five business segments since that date enabled the Group to honour its commitment despite the health crisis.

3.3.2.1 Measuring greenhouse gas emissions in order to assess the material impacts of business activities and products on climate change

The Bouygues group's business segments audit their carbon emissions pursuant to Article 75 of the Grenelle II law. To keep in step with regulatory changes and identify major sources of greenhouse gas emissions, particularly those generated by the use of its business segments' products and services, the Bouygues group annually takes steps to expand its carbon reporting to include scope 3b where appropriate and meaningful. Various methods are used in carbon accounting. Colas bases its figures on the reporting of energy consumption within scopes 1 and 2 as well as ratios tracking CO_2 emissions per unit of sales, by type of business, for scope 3a.

As part of this work, the criteria selected for classifying an emissions source as significant (or not) are as follows: coverage[b], relevance[c] and feasibility[d]. Emission sources that do not meet one or more of these criteria are considered to be not meaningful.

For example, the criteria of feasibility, relevance and coverage cannot be applied to Colas for the two emissions sources: "Use of products and services sold" and "End-of-life of products sold". Extending scope 3b to these two emissions sources in relation to transport infrastructure (either road or rail) is not feasible because of the complexity of calculating the CO_2 footprint with regard to the following:

- accounting for infrastructure usage;
- the lack of means to reduce or control this footprint;
- the low proportion of sales from the construction of new infrastructure; and
- and the complex rules for allocating emissions in relation to usage and infrastructure end-of-life.

These two emissions sources are therefore left out of the carbon footprint calculation for Colas.

(a) A meeting of the Group's top managers.
(b) The ability to collect reliable information.
(c) The reported information concerns the five sources with the highest emissions and/or that cover at least 80% of the emissions.
(d) Sources exhibit existing potential for improvement and the company has some control over them.

Bouygues group greenhouse gas emissions

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total
Scope activity or region	Global	France (exc. Subsidiaries)	Global	France	France	
Coverage as a percentage of sales	100%	88%	100%	85%	100%	94.6%
Scope 1	1.3%	n.m.	10.4%	n.m.	n.m.	11.8%
Scope 2	0.8%	n.m.	0.9%	n.m.	0.2%	1.9%
Scope 3a	13.6%	3.5%	63.7%	1.4%	4.2%	86.3%
Total Scope 1 to 3a	15.7%	3.5%	75%	1.4%	4.4%	100%
Total Scope 1 to 3a (Mt CO_2 eq.)	**2.5**	**0.5**	**12.0**	**0.2**	**0.7**	**15.9**
Scope 3b (Mt CO_2 eq.)	6.0	0.6	n.c.	n.c.	0.1	n.c.

n.m. = non-meaningful: indicates all figures below 0.05% or 0.05.
n.c. = not calculated: indicates any item that is not yet calculated.

The carbon audit is useful in providing ideas of scale and identifying areas for improvement but cannot be considered a reliable performance indicator because of the inherent uncertainties. Additionally, this exercise is tightly correlated with yearly sales volumes, which can limit the use of this analysis on its own. Instead, it produces orders of magnitude and pinpoints areas in which action can be taken.

*Because of business-disrupting events at **Bouygues Construction** (i.e. cyber-attack and the pandemic), the annual carbon reporting was conducted using data from 2019. A change in methodology resulted in a reclassification of the emissions related to the operation of mines for which Bouygues Construction is a service-provider. As a result of this change, the related energy consumption was moved from scope 1 and 2 (9% of the total scope 1 and 2 in 2020), where it has been included up to now, to scope 3b (1% of scope 3 in 2020), since this was more in line with operational realities.*

***Colas** reported a 5% decline relative to 2019, resulting from lower direct energy consumption as a result of Covid-19. An increase can be seen under scope 2 in 2019, partly owing to a correction of some of the EFs that were wrong. Scope 3 was 7% lower relative to 2019. This resulted from a sales decrease directly proportional to scope 3.*

***Bouygues Immobilier –** in preparation for the 2020 environmental regulations, which will require a lifecycle assessment (LCA) and a carbon audit for each property development programme from 2021 onwards – updated carbon reporting as of this year by structuring it around emissions calculated at the operational level. The new method will lead to more precise and frequent oversight of the company's emissions. The expansion of carbon reporting to encompass scope 3b accounts for the 90% increase in Bouygues Immobilier's GHG emissions.*

*At **TF1,** the method for calculating emissions from the "Purchases of goods and services" source, under scope 3a, was thoroughly revised, with the focus now placed on physical data rather than their equivalent monetary value. This concerned especially the carbon impact of programme purchases, which represent 72% of the total for the TF1 group. The impact is now estimated on the basis of hours of programmes purchased and emission factors linked to the type of programme. Additionally, the increased use of physical data in the carbon audit incorporated 117 different emissions factors, taken from the Ademe database version 18.1 (September 2020), compared with 36 last year. These changes in methodology as well as lower spending on programmes as a result of the pandemic and the temporary halt to filming partly account for the 30% decrease in the TF1 group carbon footprint relative to 2019.*

***Bouygues Telecom**'s carbon footprint was stable. This reduction was driven by the 12% decrease in scopes 1 and 2 (and the part of scope 3 which now integrates upstream energy emissions, for the purpose of presenting methodologically comparable data), given that scope 3 has not been updated since 2018.*

Generally speaking, the Group's business segments continue to work hard to develop the most accurate forms of carbon accounting possible, taking a broad-based approach. Offering low-carbon solutions to customers is a priority for the Group. This includes timber constructions, the use of lower-emission materials (such as low-carbon concrete) and consideration of usage behaviour as well as maximising energy efficiency, implementing circular-economy initiatives and pooling certain telecoms infrastructure. Furthermore, Bouygues Construction and Bouygues Immobilier have detailed reduction targets in this field.

Greenhouse gas emissions by source

Simplified sources Bouygues group	Scope	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total
Energy consumption (on-site combustion)	Scope 1	1.3%	n. m.	10.4%	n. m.	n. m.	11.8%
Direct emissions excluding energy	Scope 1	n.m.	n. m.	n. m.	n. m.	n.m.	n.m.
Consumption of electricity, steam, heat or refrigeration	Scope 2	0.8%	n. m.	0.9%	n. m.	0.2%	1.9%
Upstream Energy[a]	Scope 3a	n m.	n. m.	1.3%	n. m.	n. m.	1.3%
Purchases of goods (raw materials, construction materials, etc.) and of services	Scope 3a	11.7%	3.5%	48.8%	1.3%	1.4%	66.7%
Waste generated by operations	Scope 3a	0.3%	n. m.	2.4%	n. m.	n. m.	2.7%
Upstream and downstream freight transport	Scope 3a	0.9%	n. m.	6.2%	n. m.	n. m.	7.2%
Investments, fixed assets and leasing	Scope 3a	n. m.	n. m.	3.7%	n. m.	2.4%	6.2%
Travel of employees (business trips and commuting), visitors and customers	Scope 3a	0.6%	n. m.	1.3%	n. m.	0.3%	2.2%
Total Scope 1 to 3a		15.7%	3.5%	75.0%	1.4%	4.4%	100%

(a) This corresponds to emissions related to the production of the fuel used (mainly extraction and refining of gas and petroleum products); combustion of these products is counted under scope 1. This corresponds to source 8 in the Ademe methodology.
n.m. = non-meaningful: indicates all figures below 0.05% or 0.05.
n.c. = not calculated: indicates any item that is not yet calculated.

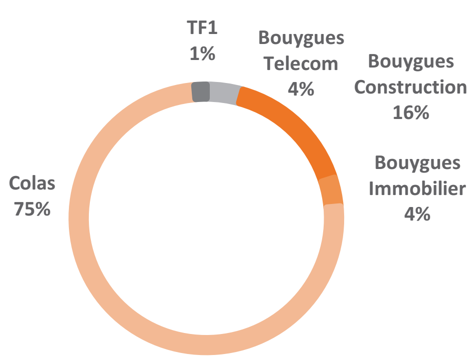
Scope 3b
Mt CO_2 eq.

Use of products and services sold	Scope 3b	6	0.6	n.c.	n.c.	0.1	6.7
End of life of products sold	Scope 3b	n.m.	n.m.	n.c.	n.c.	n.m.	n.c.
Total Scope 3b		6	0.6	n.c.	n.c.	0.1	6.7

n.m. = non-meaningful: indicates figures below 0.05% or 0.05.
n.c. = not calculated: indicates any item that is not yet calculated.

3

GHG emissions by business segment (scopes 1, 2 and 3a)



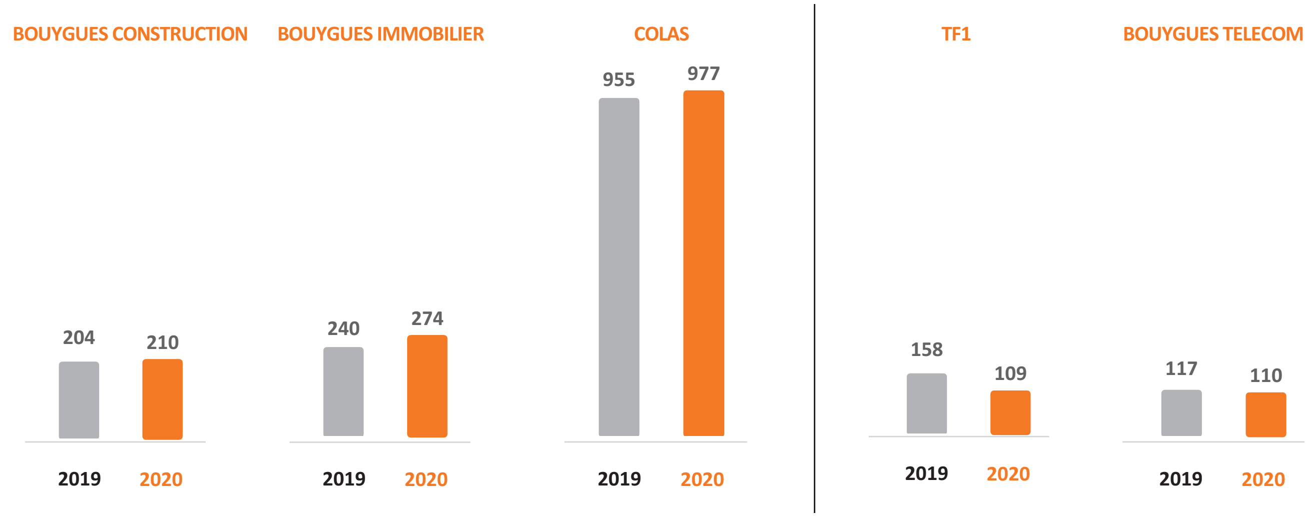
Carbon intensity of the Group (scopes 1, 2 and 3a)[a]

in tonnes of CO_2 equivalent per € million of sales

(a) The Group's carbon intensity declined 4% from 486 tonnes of CO_2 equivalent per million € of sales in 2019 to 461 tonnes of CO_2 equivalent per million € of sales in 2020.

Carbon intensity by business segment (scopes 1, 2 and 3a)

in tonnes of CO_2 equivalent per € million of sales



3.3.2.2 Setting measurable and quantifiable targets in line with the Paris Agreement

At the end of 2020, Bouygues crossed another milestone in its Climate strategy by pledging to cut its own greenhouse gas emissions. Bouygues believes it has an important part to play in decarbonising the construction sector, responsible for around 30% of global greenhouse gas emissions. Bouygues' construction businesses alone account for 95% of the Group's greenhouse gas emissions. Bouygues has therefore set itself four objectives:

- Respond to the climate emergency by contributing to the target of global carbon neutrality (2015 Paris Agreement).
- Respond to the growing expectations of its stakeholders (customers, employees, the financial community, suppliers and subcontractors, civil society, etc.).
- Transform climate-related constraints into business opportunities and create differentiating factors.
- Boost its positioning as a socially responsible company.

The nature and diversity of Bouygues' activities mean that the consolidation of a Group-wide Climate target is not appropriate. Nonetheless, all the business segments have used the same methodology to frame their Climate strategy. This shared methodology has eight pillars:

- Defining a forward-looking scenario-based analysis.
- Adapting business models to climate change.
- Setting reduction targets for greenhouse gas emissions in relation to controllable scopes (1, 2 and 3a) with a target of limiting the rise to 1.5°C by 2030.
- Designing polices for helping customers (BtoB and BtoBtoC) to reduce greenhouse gas emissions under scope 3b.
- Stepping up development of "low-carbon" commercial solutions as well as solutions for adapting to climate change.
- Rolling out in-house initiatives to reduce the Group's carbon footprint.
- Starting to list and assess the financial and human resources required for the implementation of the Climate strategy.
- Fleshing out the governance structure of the Climate strategy.

It was possible to develop part of the above methodology in 2020, in conjunction with Carbone 4, an environmental consultancy, with particular reference to forward-looking scenario-based analysis. In that respect, two types of 1.5°C scenario resulting in a low-carbon company were developed based on research from the IEA[a]:

- The first scenario, focused on technology, postulates that the social and environmental transition will mainly rely on technological innovation capable of maintaining GDP growth while significantly reducing environmental impacts, through a kind of 'decoupling'.
- The second, focused on restraint, postulates that the social and environmental transition will rely on the notions of resilience and societal change through the adoption of new concepts of prosperity and social well-being.

The analysis then sought to predict how the current activities of each business segment would fare in each low-carbon scenario and identify how the new business paradigm arising from each would impact operations, either positively or negatively.

The risks and opportunities pinpointed through this exercise furnish an understanding of the stress resistance of each business segment's strategy against the backdrop of the different decarbonisation trajectories. As a result, each of Bouygues' five business segments has defined:

- the physical and transition risks, the factors which determine the scope of its activities and the markets which could be materially affected by climate change and the low-carbon transition;
- greenhouse gas emission reduction targets for scopes 1, 2, 3a (and 3b for Bouygues Immobilier and Bouygues Telecom).

(a) International Energy Agency.

Greenhouse gas reduction targets for 2030

Scope	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom
Reference year	2019	2020	2019	2019	2020
Scope 1 and 2	-40%	-32%	-30%	-30%	-50%
Scope 3a	-30%	-32%	-30%	-30%	-30%
Scope 3b		-32%			-30%

Those pillars in the above methodology that could not be covered in 2020 will be the subject of future research. The Group intends to use all necessary means to implement its published climate strategies effectively. Next steps will be quantifying the investments needed to roll out and monitor the Climate strategy, then bringing these plans into action and keeping track of implementation using key performance indicators (KPI). This strategy will only be successful if our business partners and suppliers are actively involved, together with employees.

The Climate strategy is managed at several levels. In early 2020, a Climate committee was set up, meeting quarterly with all the Group's business segments. It is chaired by Olivier Roussat, CEO, and brings together Sustainable Development Directors tasked with designing and applying the roadmap. This subject matter is also addressed at Group level by the Ethics, CSR and Patronage Committee, which meets several times annually to review these three themes on behalf of the Board of Directors (see chapter 5 of this document, section 5.3.5). In 2020, this committee monitored implementation of the Group Climate strategy. The Board of Directors is also kept up to date on environmental issues, which are overseen by a director specially appointed to oversee this task. Group executives and top managers are also kept regularly informed through Group Management Meetings targeting specific issues.

The Climate strategy is also administered at business-segment level, tailored to each one's specificities.

More information about the Bouygues group's Climate strategy is available at bouygues.com[a].

3.3.2.3 Providing low-carbon solutions

The recognised expertise of its business segments (construction, media and telecommunications) has enabled the Bouygues group to design a multi-service offer to help urban environments reduce their carbon impacts. For several years, the Group has been innovating to make quantifiable progress in energy and carbon, offering effective solutions in the areas of renovation, low-carbon construction, soft mobility and urban services.

The Group's 2020 Integrated Report[b], published on 18 February 2021, provides more information and examples of the low-carbon solutions that the Bouygues group has developed for its customers.

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- Renovation: the Group has solutions to deal with the millions of poorly-insulated buildings. Its business segments have developed solutions and recognised expertise in energy renovation for residential property, offices and public amenities. These offers improve the business models of property renovation and save on natural resources, while respecting the architectural heritage of buildings. In this domain, Bouygues Immobilier provides the Rehagreen® service package for commercial property (see section 3.3.4.2).
- **Low-carbon buildings** are an economic and environmental profit centre. Bouygues and its business partners market scalable offers, beginning at the design stage and going all the way through to when buildings are up and running, that use:
  - traditional and bio-based construction materials that can be re-used or recycled;
  - smart systems for optimised building management (Bouygues Immobilier's Green Office® range of positive-energy buildings);
  - renewable energies production systems combined with storage systems.

  Low-carbon construction is a major avenue of innovation and growth for Bouygues Construction and Bouygues Immobilier. Bouygues Energies & Services is part of the European research consortium working on the ELSA[c] project. The energy storage solution ELSA recovers second-life batteries from Renault or Nissan electric vehicles and re-uses them in buildings to create energy-storage systems. It was awarded the Solar Impulse Efficient Solution label[d].
- **Eco-neighbourhoods:** Bouygues and its partners offer local authorities integrated solutions combining sustainable construction, energy efficiency, land-use diversity, soft mobility, biodiversity and new technologies adapted to residents' needs. The Bouygues group has several exemplary eco-neighbourhoods to its name, both in France and abroad.

  Since 2016, the Group has helped set up two sustainable-city demonstrators in France, under the auspices of the government-backed Institute for Sustainable Towns.

(a) www.bouygues.com.
(b) www.bouygues.com (home page, Publications section).
(c) Energy Local Storage Advanced System.
(d) The Solar Impulse Foundation aims to select 1,000 economically viable solutions that protect the environment and promote them worldwide.

These two demonstrators, Eureka Confluence (Lyon, France) and Descartes 21 Marne-la-Vallée (Paris region), will serve to test – as part of a special scheme – ground-breaking innovations in all areas of urban life.

The "Charenton-Bercy" project (12 hectares including 3.6 hectares of green spaces), by Bouygues Immobilier (UrbanEra®), was selected following the consultation phase of the call for tenders "Invent the Grand Paris Metropolitan Area", organised by the Grand Paris metropolitan authority, the Île-de-France regional authority and Société du Grand Paris. The project aims to re-use or recycle materials on site, build using low-carbon materials and protect biodiversity. All buildings will be highly energy-efficient (NF Habitat HQE ™, LEED ® or WELL certifications) while a geothermal network will provide environmentally friendly heating and cooling for the entire neighbourhood. A resilience strategy will be put into place to guard against climate contingencies such as flooding and the urban heat island effect.

- As part of an Energy Performance Contract entered into with Bouygues Energies & Services in 2018, the municipality of Beausoleil (south-eastern France) is upgrading its street lighting network to make it 100% LED (1,098 street lamps). Bouygues Energies & Services has furthermore undertaken to reduce the electricity bill by 72.4% by 2022. The 10.4% target set for the first year in operation (2019) was easily surpassed (32.8%). Bouygues Energies & Services is also in charge of the maintenance and management of the street lighting network as well as electric mobility, the development of the public Wi-Fi system and an app which allows residents to report any malfunctions.
- **Soft mobility and urban services:** Bouygues helps local authorities introduce sustainable mobility solutions. It develops transport infrastructure (tram lines, cycle paths, etc.) and designs soft mobility solutions for its eco-neighbourhoods. This includes links to public transport networks, vehicle sharing, electric vehicle charge points, shared parking spaces and e-bikes. The Bouygues group offers local authorities innovative urban services based on IoT-driven embedded sensors as well as augmented transportation solutions.

Colas is developing a broad portfolio of tangible solutions to climate-related challenges by:

- producing warm, semi-warm and cold asphalt mixes;
- making fuller use of recycled materials and developing methods for reclaiming asphalt pavement in-place;
- using plant-based and low-carbon binders;
- producing and using low-carbon concrete.

Colas also implements solutions for countering the problematic issue of urban heat islands by drawing on expertise from environmental engineering.

In this setting, Colas is developing and offering practical and powerful digital solutions for meeting new usage patterns and mobility requirements:

- **Wattway** is the world's first photovoltaic road-surfacing solution that generates electricity from clean and renewable solar energy. After its launch in 2015 and real-life trials from 2016, the Wattway Pack was marketed for the first time in 2019 (see section 3.3.4.2).
- **Flowell,** developed by Colas R&D in conjunction with CEA Tech, is a dynamic road-marking system that, thanks to improved visibility, increases the safety of pedestrians and cyclists when crossing hazardous junctions. By allocating areas to specific users at specific times of the day, it also shares out the public space more equitably. Several pilot sites have been set up to test the solution in real-life conditions. Use showed calmer driving, greater awareness of risks, and thus enhanced safety for pedestrians.
- **Anais** is a made-to-measure solution intended for the authorities of relatively large areas. It enables them to anticipate maintenance needs for their road networks and reduce infrastructure costs (see section 3.4.2.1).
- **Qievo** optimises traffic flows around worksites by limiting disturbances for local residents and road users alike. It guides trucks to follow specific routes as a means of reducing traffic congestion.
- **Moov'hub,** a digital solution for managing parking spaces, is currently being developed on the Paris-Saclay campus.

Mission accomplished for Mobility by Colas in coordinating worksites at La Part-Dieu, Lyon

At the end of 2019, Mobility by Colas rolled out its Qievo solution for client SPL Lyon Part-Dieu. Qievo uses a central digital platform for observing, planning and regulating logistics flows in a specific zone, supported by a logistics team made up of centralised coordinators and on-site traffic stewards. Infrastructure is also adapted thanks to implementation of dynamic routing and regulation zones.

One year in, the results have been positive. (In Lyon, the service has been named Réguly.) The 25 worksites in progress in the La Part-Dieu district in Lyon, comprising 326 project owners and contractors, use this digital service to optimise traffic flows. Over 80% of trucks are connected to the system and transit via regulation zones to relieve congestion in the city centre and reduce the carbon impact.

Follow-up indicators (greenhouse gas reductions, fuel savings and time spent parked in the regulation zones) have been put in place to measure how well the system is performing. It is also possible to generate a carbon audit of the entire operation. Results have shown that the fall in greenhouse gas emissions in the district is proportional to the increase in the time the trucks spend in the regulation zones. This represents 214 fewer hours of city-centre truck traffic avoided every month, or a 3.3 tonne reduction in CO_2 emissions. The 2024 target is to cut CO_2 emissions by over 160 tonnes through truck parking in regulation zones.

In response to the partnership agreement relating to self-driving vehicles and the road of the future signed in 2017, Utac Ceram[a] asked Colas Île-de-France Normandie to build its new test centre, Teqmo. It opened in June 2019. Located within the Linas-Montlhéry vehicle test circuit, just south of Paris, Teqmo has 12 km of track for self-driving, connected vehicles, testing environmental, safety and durability features.

3.3.2.4 Promoting solutions adapted to climate change

Climate change is impacting the environment in the following ways:

- rising sea levels;
- increased frequency of freak weather events (e.g. cyclones, flooding and rapidly rising or falling temperatures); and
- changes to ecosystems.

Coastal areas – which tend to be heavily populated – are at risk from rising sea levels and more extreme weather, accompanied by possible erosion and flooding.

To gain popular support, protective structures in built-up coastal areas must blend in as much as possible. This is leading to the development of innovative concepts at the engineering department of Bouygues Travaux Publics.

One example of what can be implemented to counter the impact of these changes as they affect buildings is Bouygues Construction's ABC concept (Autonomous Building for Citizens). In the context of increasingly scarce resources, ABC's performance in terms of water recycling, insulation, and renewable energy generation, is likely to represent a huge step towards independence from various networks. In 2014, a partnership with the Municipality of Grenoble was signed to develop a demonstrator, involving the construction of an apartment building with some 60 housing units. The demonstrator, inaugurated in 2020, now houses its first tenants. For five years, from the time the residents move in, Bouygues Construction will monitor their level of buy-in of the new ABC services.

Bouygues Immobilier factors bioclimatic architecture into its property developments: research into the best location, bioclimatic research, choice of efficient insulating materials and the use of renewable energy sources. UrbanEra® sustainable eco-neighbourhoods add nature to urban environments to reduce urban heat islands and improve water drainage.

Colas launched a programme of academic discussions concerning the formation of urban heat islands to factor in the complex interactions and retroactions characterising this phenomenon, which is a concern for all the world's major urban centres. In November 2020, a first-time in-house seminar raised awareness among specific employees about this complicated issue and the effective solutions available. Concurrently, Colas continues to pursue a rigorous experimental approach to distinguish the thermodynamic properties of building materials and is participating in the full-scale measurement and experimental programmes launched by several municipal authorities.

3.3.2.5 Reducing the Group's carbon footprint

Whether on worksites, at headquarters or in regional offices, the Group's business segments work hard to reduce the carbon footprints of their operations. The Group is pursuing E+C- labelling and actively promoting timber constructions (see section 3.3.3.2).

With more than 150 timber buildings to its name, Bouygues Bâtiment France Europe has launched WeWood, its new programme, based around three main strands:

- reducing carbon emissions by using wood wherever possible;
- leveraging timber as a means of speeding up alternative building methods (prefabricated structures and scaling-up);
- enhancing the experience for customers, employees and local residents;
- occupying a long-term position in the timber construction field through innovation and R&D. The target is that 30% of all projects will be timber-based by 2030.

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

Bouygues Construction and Hoffmann Green Cement Technologies have entered into a contract covering technical and commercial collaboration, aimed at designing and testing concrete mixes incorporating Hoffmann's new production technology, H-EVA. The carbon footprint of the cement manufactured using H-EVA is 70-80% lower than for standard Portland cement. Research by Bouygues Construction's Materials Engineering Unit has proven to be more complex than expected, requiring the partnership to be broadened to include Chryso, a French company making admixtures. Certification is now scheduled for 2021.

As modular construction makes inroads, Bouygues Construction's R&D unit is developing a lighter foam concrete, from recycled materials, to optimise module weights. A production line of this new, entirely natural material is currently at the design stage at Bymaro (Bouygues Construction's Moroccan subsidiary).

Colas has set targets for reducing carbon intensity from its direct emissions, with dedicated programmes for:

- improving machine utilisation rates and reducing idling;
- cutting energy consumption. Colas also has ambitious plans for transitioning its vehicle and machine fleets to biogas, electricity and hydrogen;
- reducing energy consumption at mixing plants;
- innovating with the firing process; and
- replacing high-emission fuels.

The full support of employees will be required to make this a success. Colas continues to encourage drivers and machine operators to reduce fuel consumption by 30% out to 2030 by promoting:

- eco-driving;
- reducing idling; and
- lowering fuel consumption through better monitoring.

(a) Independent privately owned group offering land-based mobility services, from testing and certification to training and auditing.

There are two interim targets:

- equip 50% of road and plant vehicles with on-board data collection devices by the end of 2024; and
- ensure that equipped vehicles and plant have their engines switched off when idling in at least 80% of cases by the end of 2024.

Energy efficiency is already taken into account when choosing which machines to buy. The target to increase average utilisation by 2% results in the least efficient equipment being automatically removed from the fleet.

Initiatives are also in place to reduce fuel consumed by asphalt plant burners. Fuel consumption per tonne of asphalt mix produced is monitored worldwide.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Greenhouse gas emissions relative to the production of a tonne of asphalt mix Kt CO_2 eq per tonne	Global	Asphalt mix production activities	19	19	Greenhouse gas emissions relative to the production of a tonne of asphalt mix edged down across Colas (-0.5%) relative to 2019. This resulted from the policy to replace high-emission fuels.

Operating fixed and mobile networks is Bouygues Telecom's largest source of consumption. Even though energy consumption per site has been rising on an absolute basis owing to increased geographical coverage, government-required quality standards and customer usage, it has decreased per terabyte carried and relative to number of customers (which is growing strongly). By installing smart meters, Bouygues Telecom is gradually developing real-time measurement of power consumption at its mobile sites. More than 8,000 of its mobile network sites are now equipped (relative to the 13,000 meters that Bouygues Telecom effectively manages itself). Best practices are also implemented such as optimising equipment installation in technical rooms to manage air flows and prevent hot spots, or placing equipment on standby in some regions when network traffic is sufficiently low. Containment solutions that optimise air-conditioning energy efficiency are becoming more widespread as new equipment is deployed.

3.3.2.6 Building partnerships to search for solutions

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

The Bouygues group is also a partner in Ideas Laboratory®, a think-tank bringing together experts, business leaders and researchers to carry out intelligence monitoring on the theme of the city of the future. Hosted by the CEA[a] in Grenoble, Ideas Laboratory® works to develop innovative projects meeting the societal challenges of tomorrow. Research includes the "bio-inspired resilient city" project, which aims to reduce urban heat islands through nature-inspired solutions. Fewer heat islands means more comfortable living conditions in the summer and reduced energy needs.

Bouygues Immobilier and Bouygues Bâtiment Ile-de-France, both members of the Low-Carbon Building Association (BBCA), are participating in the development of the BBCA label promoting low-carbon buildings, by submitting candidate projects.

(a) The French Alternative Energies and Atomic Energy Commission.

3.3.3 Minimising the environmental impact of business activities

3.3.3.1 Avoiding waste

Pollution arising from the Group's business activities is diverse and varied, involving air, water and soil. This is mainly generated by the Group's building and civil works sites or related to the industrial activities at certain fixed locations.

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

Bouygues Construction places these subjects within the criteria to be eligible for the TopSite label (see section 3.3.1.2). Emergency procedures exist in the event of pollution incidents that put in place the appropriate remedial action. In addition, a database keeps a list of hazardous materials and the associated preventive measures. Worksites must implement procedures for controlling environmental impacts on local residents.

Initiatives by Colas to prevent, limit and where possible eradicate pollution mainly centre on fixed locations, large worksites and specific ecological engineering projects:

- all environmentally certified sites have as their basic documentation an environmental analysis, dashboards and action plans, most notably for reducing pollution in cases where this is deemed significant. This information is used during management reviews to analyse and limit the impact of operations and improve environmental performance. Colas checklists round out these arrangements, applying to all sites, whether certified or otherwise. Using the checklist, each site can ensure control over water, air, waste and noise pollution. For example, the indicator "Control of aqueous waste" covers a range of checklist requirements to control this type of on-site pollution, from the waterproofing and surfacing of risk areas and the installation and maintenance of a site isolation system to the installation and maintenance of oil-water separators and wastewater analysis;
- as required by the regulations, specific arrangements such as an environmental protection plan are drawn up for major worksites, including the New Coastal Road project on Reunion Island, the Lens BRT[a] in northern France and resurfacing projects in Madagascar; and
- on environmental engineering sites, Colas participates in tender procedures in areas connected with its core road-building business.

The environmental certifications used by Bouygues Construction and Bouygues Immobilier also contain points to watch during the construction phase. For example, an HQE™ project must ensure that all kinds of pollution (air, water and soil) are kept to a minimum. The Clean Worksite Charter aims to prevent and reduce air, water and soil pollution. Lastly, the quality benchmarks (HQE™, BREEAM®, LEED®) promoted by Bouygues Construction and Bouygues Immobilier comprise obligations for the design and operational phases that reduce air, water and soil pollution.

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

3.3.3.2 Reducing other disturbances

The other forms of disturbances to which the Group's activities may give rise are mainly exposure to noise (either day or night-time), odours, night-time lighting or vibrations. Its media and telecoms businesses are concerned by the issue of exposure to electromagnetic waves.

Acceptance of production sites and worksites by local residents is a sensitive question for the Group's business segments. In addition to the measures set out in the ISO 14001 environmental certification, disturbances to local residents are among the points monitored by internal standards: TopSite, Clean Worksite Charter and Colas checklists. One of the standards of Bouygues Construction's TopSite initiative addresses the management of noise pollution in consultation with project stakeholders as soon as this is established as a risk stemming from the worksite. Bouygues Construction also markets a noise barrier for local residents living close to worksites. It was developed by its acoustics and vibrations skills centre, which is staffed by experts from its various operating units. For Îlot Laplace in Arcueil near Paris, a TopSite project handed over in late 2020, attention was paid to informing local residents about noise management, as several public amenities were located nearby (a nursery, theatre, hotel and cinema).

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

Procedures giving priority to the re-use of deconstruction materials are implemented, reducing the need for transportation as well as the related disturbances (see section 3.3.4).

- To address noise pollution, Colas is developing products that reduce traffic noise, including fractal-technology noise barriers and noise-reducing asphalt mixes (Nanosoft® and Rugosoft®). Nanosoft® continued to be optimised in 2020 in a research project sponsored by the Colas Campus for Science and Techniques, aiming to increase mechanical resistance through the use of bio-based additives and, as a result, expand its range of applications. In 2020, the output of this type of asphalt mix surged by nearly 30% to 486,800 tonnes (versus 375,000 tonnes in 2019), coinciding with the third milestone in the French Environmental Noise Prevention Plan[b] (PPBE). Additionally, this product range reflects the continuing investment by Colas on R&D over many years, for which it has received a number of industry awards. Colas took part in the LIFE Cool & Low-Noise Asphalt project, sponsored by the Municipality of Paris, aimed at reducing heat emissions and noise throughout the city, as a test case for the whole of Europe.

(a) Bus Rapid Transit route.
(b) Regulatory non-binding document established by EU Directive 2002/49/EC of 25 June 2002 relating to the assessment and management of environmental noise.

- Bouygues Travaux Publics has undertaken to reduce noise from worksites across all its projects. It does this by installing sound barriers in sensitive areas and carrying out acoustic simulations, which are then used to create a 3D image with colours representing noise intensity and range based on data collected by sound level meters in the specific areas. Using information from these models, specific measures and risk mitigation plans are implemented, concerning the plant or the entire organisation. Bouygues Bâtiment France Europe is particularly attentive to managing noise when renovating maintained-occupancy sites.

Com'in, a start-up launched by Bouygues in 2016 (out of its "Innovate like a Start-up" programme) and currently funded jointly by Bouygues Construction and Colas, is a decision-support resource that helps site managers to be more responsive and efficient in managing disturbances related to construction sites.

The back-office part of Com'in, NuisAlgo, analyses the real-time data collected using smart sensors installed around the worksite Site managers then receive a text alert if any of the authorised levels are exceeded. Com'in also has a mobile app which local residents can use to find out about upcoming potentially disruptive events and plan accordingly. In early 2020, Com'in was awarded a public contract for the Îlot Pasteur project in Monaco and has signed master service agreements with Société du Grand Paris and SNCF Réseau. Com'in is currently being used in around 30 developments. It was awarded the prize for Best digital solutions for construction sites, software category, at the 2020 Construction Awards, organised by SMA BTP and Batiactu.

TF1 and Bouygues Telecom are especially attentive to exposures to waves emanating from their masts (see chapter 4 Risks and risk management). For example, a safety perimeter is set up around all of Bouygues Telecom's radioelectric sites (masts). This ensures compliance, beyond the perimeter, with the exposure limits defined by the decree of 3 May 2002 in regard to all freely accessible areas. Any access inside the perimeter is only granted once mast signals have been deactivated. Bouygues Telecom continued implementing regulations based on the first specific European directive of 26 June 2013 obliging companies to evaluate their employees' exposure to electromagnetic fields, ensuring that all maintenance technicians carry dosimeters.

3.3.4 Drawing inspiration from the principles of the circular economy

The construction industry generates 70% of the 324 million tonnes of waste produced in France every year. French legislation requires that 70% of the waste produced by the construction and public works industry must be recycled. The Bouygues group's business segments have identified several potential environmental and economic benefits in their response to this challenge and are continuing their efforts to develop exemplary practices and operations in each of their activities. Various initiatives are already in place within the Group to take into account the guiding principles of the circular economy and eco-design. These include:

- selecting sustainable materials in design phases;
- using less resources when making products;
- recovering and recycling materials, whereby waste is reintroduced into the production cycle as a secondary raw material; and
- using innovation to lengthen product lifecycles.

Launched in July 2019 by Bouygues Bâtiment France Europe, the zero-waste worksite policy has two foundations:

- acting early, from the design phase, to reduce waste (eco-design); and
- supporting the process afterwards by improving management of residual worksite waste.

Bouygues Bâtiment France Europe's objective is to implement the policy across all its projects, or at the very least have one worksite per operating unit that is implementing the policy. In December 2020, the policy was in operation on 15 worksites across the company's geographic scope, encompassing all types of project – from rehabilitation and new builds to maintained-occupancy sites and urban/suburban worksites.

Bouygues Immobilier, Bouygues Bâtiment France Europe and Linkcity are now partnering with around 30 project owners, having launched – in September 2020 – "Boost re-use", the broadest collective initiative to date for promoting the re-use of materials. There is no shortage of re-usable site materials, but demand channels are disorganised. To allow for mass distribution, the "Re-Users Hub" (an on-line platform) will centralise requirements by using standardised labels for re-usable materials. Identifying what is actually on offer is currently problematic for buyers. Each signatory must commit five worksites annually to supplying themselves with materials reclaimed from deconstructed buildings.

Other Bouygues group solutions further the aims of the circular economy by making use of contributions from:

- the sharing economy (and mixing the use of space), which leads to optimised use of the goods and services offered, e.g. shared spaces in the eco-neighbourhoods built by Bouygues (car parks, gardens, third places, etc.); and
- scalable building design principles that increase the scope for reversibility, as well as extensions and changes in use over the lifecycle of the building or infrastructure.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Colas is one of the world's top five recyclers across all sectors, recycling over seven million tonnes of materials a year. Colas recycles and repurposes deconstruction materials from its own infrastructure projects, together with waste from other industries (clinker, glass, porcelain, shoe soles, etc.), to produce gravel, aggregate and asphalt. Through these efforts, it helps to reduce the number of new quarries opened, the amount of construction-site waste disposed of as landfill, and haulage of materials. Because materials are located closer to worksites, it also saves on energy. The next step will be self-sufficiency in materials in each area. With over 450 recycling plants worldwide, Colas recycles wherever it can.

3.3.4.1 Producing less waste[a]: reuse, recycle and repurpose

Recycling and reusing construction-related waste

Environmental management systems (e.g. ISO 14001), as well as internal standards (Top Site label, Clean Worksite Charter and Colas checklists), make provision for responsible waste management. For example, one of the prerequisites for obtaining the Top Site label (which is awarded to Bouygues Construction's worksites) is sorting waste into at least three separate channels (inert waste, non-hazardous waste and hazardous waste) or more where required by local legislation. Bouygues Immobilier applies the Clean Worksite Charter, which makes on-site waste recycling mandatory using a waste management plan.

Bouygues group employees (from Bouygues Travaux Publics and Bouygues Immobilier) helped draft a new instruction booklet, produced by the non-profit Orée, on the deconstruction and repurposing of construction waste. This booklet covers the entire deconstruction process and includes case studies and recommendations for each stakeholder concerned.

The business segments of the Bouygues group limit the production of waste arising from construction activities and promote recycling through several programmes.

Bouygues Immobilier's Rehagreen® renovation operations systematically begin with a gutting phase which includes the sorting of demolition materials. At the Kalifornia project south of Paris, for example, close to 7,500 m^3 of concrete will be re-used to construct formations and foundations, made possible by installing a crusher on-site.

Bouygues Construction rolls out programmes for reducing and recycling waste on construction sites, especially for civil works activities. Excavated materials are recovered for use as backfill or for the environmental rehabilitation of sites. Several of Bouygues Construction's operations re-use secondary raw materials directly on-site. At the Pantin Kanal project (a 20,500 m^2 office development) in the Port de Pantin mixed development zone (north of Paris), Bouygues Bâtiment Ile-de-France Construction Privée is operating a policy to promote the circular economy and reduce the carbon footprint. This comprises several initiatives, including the recovery and re-use of raised-floor slabs, the use of reusable steel posts, algae-based paint (considered as non-hazardous waste) and composting in the worksite living quarters. Additionally, when rehabilitating the Blomet swimming pool in Paris, Bouygues Bâtiment Ile-de-France Ouvrages Publics re-used 900 m^2 of polycarbonate glazing panels to erect greenhouses in shared gardens.

Bouygues Construction collaborates with several circular-economy start-ups and SMEs:

- "Hesus" is a networking platform connecting worksites offering spoil with those needing backfill. It can also be used to trade building materials.
- Circouleur recovers opened tins of paint from worksites to make new ones. As a result, these paint products have a carbon footprint that is 12 times smaller. Paint contributes to improved indoor air quality. This solution has been tested on a selection of Bouygues Bâtiment France Europe's zero-waste worksites.
- LeanCo is a start-up for helping to apply lean management to the construction industry, launched in late 2019 by Bouygues Construction.
- It operates an inter-site platform for trading new or re-usable materials with worksites run by other operating units operating nearby.

As part of the Grand Paris major infrastructure programme, nearly 200 kilometres of tunnels will be dug, producing 43 million tonnes of spoil to be removed. To monitor environmental impact and ensure traceability, Société du Grand Paris has set up a special platform as well as a process for managing and recycling waste. This platform, called TrEx, is aimed at firms that produce waste as well as transport firms and storage-site managers. Each digital form contains about 40 fields to fill in, including the quality of the spoil, the transport firm's identification number, the origin and destination of the spoil, etc. The platform has been available since January 2017 and is now required by Société du Grand Paris under the terms of all its civil engineering contracts.

Bouygues Travaux Publics and the BRGM are working on improving the understanding of trace-metal mobility in excavated soil.

For its worksites, Bouygues Travaux Publics has designed a tracing system called Ubysol. This supplementary traceability system is now deployed on packages T2A and T3A of Line 15 on the Grand Paris Express project. It uses vehicle geolocation to track the itinerary of waste plus type of waste, tonnage and place of discharge. This system not only provides productivity gains but also improves and increases the reliability of waste management processes. Ubysol uses the Objenious LoRaWAN™ connected objects network to connect devices with each other (see also the section on Bouygues Telecom in Chapter 2 of this document).

3

(a) Preventing food waste/the fight against food insecurity/the protection of animal well-being/responsible, fair and equitable nutrition. Given the type of activities operated by the Bouygues group, these themes are not meaningful for its five business segments. Food waste is only an issue for institutional catering. However, it is mentioned specifically in some contracts with the catering providers servicing the Group's main head offices.

Covid-19: Hesus and Ubysol solutions limit spread of the virus

Covid-protection measures had to be in place before workers could return to worksites. The problem was that close interpersonal contact is required when handling spoil.

As a specialist in spoil management, Hesus supplied a digital resource that took the health restrictions into consideration. It used Ubysol (developed by Bouygues Travaux Publics) as its underlying system and proved effective in preventing contact between people during spoil removal operations.

Using Ubysol's connected sensors, the spoil can be traced without physical contact. The system uses near-field communication (NFC), a technology similar to the one used for contactless payment by mobile phone.

It is fitted to the individual truck, where it records all information relating to that particular vehicle and its journeys, using a sensor attached to the dump bed. A clinometer also detects where and when the soil is dumped. The NFC data, which can be read with a smartphone or tablet, can then be consulted by specific sites and configured according to requirements.

16%

of asphalt pavement recycled in order to reclaim bitumen

Coverage: Colas materials production activities worldwide

Recycling[a] and the circular economy are of vital importance to Colas, a major producer and user of building materials.

Roadworks account for the bulk of aggregates consumption, and aggregates are the material most widely used by societies after water.

Aware of the responsibility that comes with this, Colas has been developing its recycling techniques. Today, over 450 Colas sites transform used materials, primarily reclaimed asphalt pavement, to turn them into civil works materials. Here are some figures:

- over seven million tonnes of materials processed, which equates to 9% of Colas' total production from quarries and gravel pits, enabling the group to dispense with 28 medium-sized quarries (250 kt);
- an average 16% of Colas' worldwide asphalt mix production is from recycled pavement;
- over 300,000 tonnes of bitumen reclaimed annually, equating to the annual bitumen production of a medium-sized refinery;
- 9.8 million m² of pavement recycled.

Amongst the products incorporating recycled materials is Ecomac®, a semi-warm emulsion-based asphalt mix developed by Colas itself. Its low-temperature production process reduces energy consumption for the same durability.

(a) Any recovery operation whereby waste, including organic waste, is reprocessed into substances, materials or products to fulfil its original function or another purpose. Waste-to-energy, waste-to-fuel and backfilling operations cannot be classified as recycling, according to the French environmental code.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Recycled materials in relation to the volume of aggregates produced[a]	Global	Asphalt mix and aggregate production activities, and railway worksites	9%	10%	Recycled materials declined by a notable 1.4 million tonnes in 2020, which was 16% lower than in 2019. This trend was observable in the following regions: • France -22%; • US -9%; • EMEA[b] -9%; and • Canada -6%. This resulted from a sharp drop in business volumes owing to Covid-19 in these geographies.
Asphalt pavement recycled in order to reclaim bitumen	Global	Materials production activities	16%	16%	The percentage of recycled asphalt pavement was stable relative to 2019. Although the volume of recycled asphalt dipped by 2%, the percentage was unchanged because total asphalt production edged down at the same rate in 2020.
Surface area of road pavement recycled in-place (million m²)	Global	Worksites activities	9.8	7.3	The surface area of road pavement recycled in-place rose sharply by 34% relative to 2019 to 9.8 million m². Upward trends were visible in the following regions: • France +70%; • the Macao zone (North, Central and Western Africa) +500%; • Canada +40% (Miller and McAsphalt); and • Asia-Pacific zone (Chile) +140%;

(a) The industry consensus holds that the maximum recycling ratio achievable for all asphalt mix excavated or planed off the road is between 20% and 25% in OECD countries, with this rate varying locally in accordance with urban density and the technologies employed by project owners.
(b) Europe, Middle East and Africa

Colas Indicator

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Waste oil recovery rate	Global	All activities	84%	68%	The recovery rate for waste oil increased substantially in 2020 to 84%, which was 16 points higher than in 2019. Also important to note is the substantial increase in Canada (+57 points) and within the specialised activities (+27 points).

Bouygues Construction indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Proportion of non-hazardous waste that is recycled (not disposed of in landfill)	Global	96% of Bouygues Construction's consolidated sales	52%	48%	Bouygues Construction is committed to recycling and ensures that traceability solutions are used. This encourages employees to take responsibility for the conditions in which non-hazardous waste is collected, transported and recycled. In 2020, the volume of non-hazardous waste fell by half, for two reasons. One was connected with methodology. To allow for more detailed analysis, spoil from the operations of Bouygues Bâtiment International was given its own indicator. Secondly, the phase shift on a certain number of Bouygues Travaux Publics projects led to a reduction of more than 65% in the volumes collected within this scope. Within Bouygues Bâtiment International, removing spoil (which is easier to recycle) from the indicator calculation led to a lower recycling rate (from 50% to 36%). However, the phase shift on some projects impacted the type of waste produced, which was easier to recycle, leading to a better recycling rate. Recycling was again low in countries lacking the right infrastructure, and this impacted the overall figure.
Percentage of non-hazardous waste recycled	France	38% of Bouygues Construction's consolidated sales	80%	84%	In 2019, the decision was made to limit the scope of this indicator to France alone to allow for more accurate measurement of this indicator in keeping with the target to recycle 70% of construction waste as specified in France's Energy Transition for Green Growth law. In 2020, Bouygues Construction achieved a recycling rate of 80% for France after boosting awareness among employees, most notably concerning the sorting of waste at source. It also worked closely with suppliers and subcontractors etc. to improve the management of waste collected on worksites. Within Bouygues Bâtiment France Europe, a special project was carried out with waste service providers, resulting in higher recycling rates outside the Paris region.
Percentage of spoil recycled	Global civil works activity	21% of Bouygues Construction's consolidated sales	83%	58%	Spoil represents most of the waste produced by Bouygues Travaux Publics through excavation, tunnelling and earthworks. In 2020, spoil produced rose by over 60% as several projects reached their peak periods in 2020, together with inclusion in this indicator of the spoil produced by Bouygues Bâtiment International (some 15% of the total produced by Bouygues Construction). Various recycling initiatives, especially on site, led to improved recycling of spoil.

Soil decontamination

Through its subsidiaries Colas Environnement and Brézillon, the Bouygues group offers soil decontamination solutions. With more than 1,000 completed projects to its name, Colas Environnement has experience in the full range of decontamination techniques. Its operations are known for their transparency. This subsidiary is also renowned for combining conventional techniques with adapted innovative solutions for rehabilitating and reconverting brownfield sites, and for its management of environmental liabilities on behalf of industrial firms. It is the first company to have gained ISO 9001, ISO 14001 and OHSAS 18001 certifications. In addition to this trio of accreditations obtained in 2001, it has also been MASE 28-compliant since 2010. The Dunkirk refinery decontamination project, marking the first-ever application of BIM 29 to underground works, was awarded the BIM gold award 2018 in France by *Le Moniteur* and *Les Cahiers techniques du bâtiment*. The deconstruction and decontamination of the Dunkirk refinery is a large-scale task, involving a surface area of 95 hectares, 35 km of underground piping and 200 tanks. The award also recognised the quality of the technical developments and the philosophy of collaborative openness that was central to the process.

Brézillon Environnement, a growing decontamination business

Brézillon Environnement is Bouygues Construction's specialist decontamination subsidiary, holding four patents for on-site decontamination and five certifications (ISO 14001, ISO 9001, ISO 45001, MASE, and LNE Polluted sites and soils, areas B and C). Its expertise in decontamination has opened the door to both land and water remediation. Since 2018, Brézillon Environnement has branched into air treatment for industrial clients, using a novel internal process that combines performance and environmental responsibility, thanks to the use of biofilters. After a successful trial in 2018, the company was awarded a four-year master service agreement to install 35 biofilters on industrial sites in the Paris region. These biofilters, installed on the sites of various industrial firms since 2018, have proven to be more than 99% effective.

As well as offering decontamination services, Brézillon Environnement has since 2017 operated a biocentre in Longueil-Sainte-Marie, north of Paris, which sorts, processes and repurposes non-hazardous polluted soil collected from worksites. In 2020, this site processed more than 137,000 tonnes of soil (356,000 tonnes since opening). Of this total, 89% could be reclaimed and re-used. The biocentre is located in a prime position. It is connected to the railway network and has its own riverside quay. Last year these modes of transportation accounted for over 20% of soil transportation, reducing the carbon footprint by preventing the emission of 4,200 tonnes of CO_2 equivalent. Brézillon Environnement is a mainstay in this market space, having cornered a national market share of 10%. It is the fourth-biggest provider of decontamination services in mainland France and the market leader in the Paris region. A second biocentre is due to open in Vitry-sur-Seine (south-east of Paris) during the first quarter of 2021.

Measures for preventing or re-using other types of waste

Although construction-related waste is the chief challenge due to the volumes involved and the environmental impacts, other types of waste arising in the course of the Bouygues group's operations must also be tightly managed.

From their offices, the Group's five business segments produce waste electrical and electronic equipment (WEEE), e.g. CPUs, laptops, screens, printers and servers, which are collected and then re-used or recycled. Processing WEEE is therefore a challenge common to the whole Group. In France, this has been entrusted to ATF Gaia, a disability-friendly company (since 2010), and to Nodixia (since 2015). Since the start of these contracts, this initiative has collected 162,426 items of equipment (of which 25,139 between October 2019 and September 2020). Since the start of the initiative, around 30% of the 1,211 tonnes of waste equipment collected has been destroyed and 70% re-used.

In addition, Bouygues Telecom has taken steps to extend the lifetime of its hardware as much as possible and improve subsequent recycling through a right of first refusal on telecoms and data centre equipment. Whenever it has to dismantle sites, Bouygues Telecom's first action is to analyse the on-site hardware closely and, where possible, assign it for re-use. The equipment is then tested and sent to a new site where such a requirement has been identified. Hardware that is not re-used is sold on after refurbishment. Items that cannot be sold are recycled by specialists in Europe. In network deployment and maintenance, Bouygues Telecom, whenever possible and appropriate, buys used network equipment to encourage use of the circular economy and reduce waste. In 2019, Bouygues Telecom used over 2,100 items of reconditioned equipment and exercised its pre-emption right over some 9,500 items of equipment for in order to re-use or recycle them. Nearly 92% of the hardware from this dismantling has been re-used or recycled.

Bouygues Telecom routers uphold environmental standards to reduce their footprint. These products are only recycled if they cannot be refurbished and re-used, which extends their useful life.

Mobile telephony: Bouygues Telecom signs up to the circular economy

Bouygues Telecom promotes the circular economy through several channels:

- **Extending the life of customers' handsets:** it offers insurance to cover the cost of repairs wherever possible. Since 2019, Bouygues Telecom has also offered affordable repairs at WeFix points, and in 2020 ran a campaign informing customers about this possibility.
- **Buying back handsets:** the option of selling back handsets has become a normal part of business for Bouygues Telecom stores, after more than a decade partnering with Recommerce, a leading refurbisher of smartphones in France. This is promoted year round through Bouygues Telecom's policy of offering a discount if a customer trades in their used device. More and more 1-for-1 events, whereby used handsets can be traded in for new devices, are being held throughout the year.
- **Selling on refurbished handsets:** after having started by offering this service on its website in 2011, in late 2018 Bouygues Telecom started selling refurbished handsets in store, in response to demand from existing and potential customers. Since then, the range of refurbished handsets has expanded regularly.
- **Recycling handsets:** since 2004, Bouygues Telecom has promoted the recycling of handsets that can no longer be used. To boost this process Bouygues Telecom in late 2019 introduced nearly 900 in-store recycling boxes for collecting used handsets and accessories, thereby offering new and existing customers a simple recycling solution.

Bouygues Telecom indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Handsets collected for recycling or re-use	France	100% of Bouygues Telecom's consolidated sales	228,494	276,280	Volumes collected and handset repurchasing declined following the closure of stores for two months (from 16 March to 11 May 2020) during the first lockdown, compounded by the wider effects of the pandemic.
From customers (Bouygues Telecom stores, general public and corporate websites, employees)	n.a.	n.a.	219,264	253,230	
Through the after-sales service	n.a.	n.a.	9,230	23,050	This metric declined sharply owing to the two-month closure during the first lockdown and the pandemic as a whole.

N/A: not applicable.

3.3.4.2 Using resources sustainably and wisely

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

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

So that requirements can be calculated precisely and utilisation optimised, digital technology such as BIM and specific Lean Management[a] procedures are being steadily deployed in Group entities.

Selecting and managing raw materials

To draw less on natural resources, those business segments concerned have pinpointed two major avenues:

- the first is optimising resource utilisation (through eco-design and recycling);
- the second is giving priority to sustainably sourced resources (e.g. certified products).

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

(a) Methods for optimising the construction process.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Volume of recycled materials millions of tonnes	Global	Asphalt mix and aggregate production activities, and railway worksites	8	9	Recycled materials dropped by a notable 1.4 million tonnes in 2020, which was 16% lower than in 2019. The trend was seen in the following regions: ▪ France -22% ▪ US -9% ▪ EMEA zone (Europe, Middle East, Africa) -9% ▪ Canada -6% This resulted from a sharp drop in business volumes owing to the Covid-19 pandemic in these geographies.
Volume of aggregates from recycled pavement millions of tonnes	Global	Materials production activities	6	6.2	The volume of recycled asphalt pavement in mixing plants edged down by 2% across the Colas group relative to 2019. This was especially the case for France (down 6%) and the US (down 7%). However there were sharp improvements in the Macao zone (up 260%) and Asia-Pacific (up 100%) in 2020.

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

Bouygues Construction is trialling alternative construction methods and has developed its expertise in the use of timber – the material with the smallest carbon footprint – in its projects. Almost 100 timber construction projects (new or rehabilitated) have been completed in France, Switzerland and the UK since 2005.

For example, the Revaison secondary school in Saint-Priest, a project by Bouygues Bâtiment Sud-Est for the Lyon metropolitan authority in partnership with timber specialist Ossabois, is 90% timber of which 50% is modular. Thanks to modular timber construction, the project was finished sooner, achieved higher quality standards and is more respectful of the environment.

Bouygues Construction is consequently buying more and more timber products for its construction sites. A partnership agreement with WWF France, which was renewed for a further three years in 2017, aims to ensure that timber purchases do not threaten the world's forests, the individuals who depend on these forests and the biodiversity that they shelter A sustainable-timber buyers' guide, designed with the help of WWF France and Bouygues Construction's Innovation and Sustainable Development department, was published in 2019 to encourage and support employees in sourcing timber that is legally and sustainably grown or recycled.

The main action points from this guide, which are currently being implemented, are as follows:

- gaining a better understanding of the supply chain by improving the quality and quantity of timber-related data;
- vetting higher-risk supply channels;
- ensuring a supply of responsibly sourced timber, even amid increasing volumes; and
- enhancing employee knowledge.

In 2017, Bouygues Immobilier signed an agreement with Karibati, a consultancy that helps companies integrate bio-based materials such as organic concrete, insulating panels and timber into their property development projects. Since the partnership began, 30 projects have been helped to use bio-based materials or to obtain the "Biosourcé" label.

Promoting eco-friendly alternatives to optimise use of raw materials

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

In addition to the new type of cement with a 70-80% smaller carbon footprint, developed in conjunction with Hoffmann Green Cement Technologies (see section 3.3.2.4), an environmentally friendly organic type of paint produced from Breton seaweed, Algo, is being trialled on selected Bouygues Bâtiment Grand Ouest sites. Considered an important avenue for differentiation in international operations, eco-friendly alternatives are used by Bouygues Bâtiment International in its projects.

Colas helped design Seve®, an eco-comparison tool produced by the construction industry in France. Seve® is a software solution that is used in the tender process to conduct an environmental assessment of the various development and maintenance phases for external works and earthworks projects. It has seven quantitative criteria, including CO_2 emissions. Seve® compares the standard solution with a design variant that can then be proposed to the customer, showing its environmental benefits relative to the standard solution for each criterion.

The number of environmentally friendly alternatives on offer reflects the current state of the market and the difficulty of offering such alternatives. The proportion of greenhouse gas emissions avoided by the Group increased by 17% in the year under review, while the number of environmentally friendly alternatives offered was 4% higher and the number of such alternatives selected increased by 23%. Within the profession, Colas is involved in efforts to reinvigorate eco-friendly alternatives, especially as Seve® (the system used in France) is attracting interest across Europe.

To include carbon emissions levels as a decision-support indicator in its projects, Bouygues Immobilier has introduced a tool for calculating the greenhouse gas emissions of property development projects that is compatible with the E+C- regulatory framework. This helps front-line teams to pre-assess the carbon footprint of their projects, starting from the design phase, and evaluate project compatibility with carbon targets contained in E+C-. Using this tool also has the advantage of raising awareness among operational managers about carbon compatibility, in turn promoting the selection of low-carbon materials and construction methods.

Eco-design

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

Informed by its carbon strategy, eco-design is a core part of Colas' research activities and information monitoring. The main areas of research are:

- cold, in-place recycling of surface courses to limit transport of materials;
- a new generation of bio-based binders;
- development of additives to help the asphalt pavement binder used in asphalt mixes regain its properties;
- feasibility studies investigating the mixing of asphalt pavement treated with hydraulic binders;
- better durability for asphalt mixes with high void ratios, including noise-reducing asphalt mixes, by using bio-sourced materials such as rice crop residues; research into admixtures and binders based on industrial by-products and co-products.

Given the increasingly rapid obsolescence of office buildings, and based on the growing need for housing throughout the country, Linkcity is investigating the idea of resilient urban environments and the concept of building reversibility. To keep up with swift changes in urban environments, Bouygues Construction has developed "Office Switch Home", a concept for easily repurposing buildings.

In Lyon, Bouygues Bâtiment Sud-Est has developed a health and well-being space in the middle of the city. It covers a surface area of 13,000 m² and reflects a new way of designing urban spaces that are smarter and kinder to the environment. Inside this area lies a reversible office building (WORK#1, handed over in 2020), which has been designed to be turned into housing as the neighbourhood's needs evolve. The project is part of Eureka Confluence, which is backed by SPL Lyon Confluence, the Lyon metropolitan authority, Linkcity, Bouygues Immobilier and many other partners.

The EDA project, a low-carbon positive-energy building

EDA[a] is a project developed by Bouygues Immobilier located in Paris (15th arrondissement), bordering the River Seine. It will act as a demonstrator building for France's new environmental regulations (RE2020), harnessing the innovations sponsored by the Grand Paris Metropolitan Area.

The structure of the building is 80% timber and is designed in accordance with the positive-energy area concept:

- EDA is a Green Office® building and therefore produces more energy than it consumes. A Climespace system (district cooling) will be installed in the basement to supply the neighbourhood with cool air and mitigate the heat island effect. Photovoltaic panels and rapeseed oil cogeneration will be used to transform and generate heat;
- An energy-storage system using recycled car batteries is also planned, for channelling surplus energy into the building during periods of peak consumption or into the grid.

Reductions in CO_2 emissions will be achieved during the construction phase (thanks to the use of timber) and when the building is in operation (since it produces energy). EDA will be awarded the BBCA label to demonstrate the project's alignment with Bouygues Immobilier's low-carbon strategy.

Promoting effective energy-saving solutions

Bouygues helps drive the energy transition through its expertise in active and passive energy efficiency in buildings and the operation of buildings under performance guarantees.

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

The Bouygues group's business segments offer customers innovative but competitively priced services for optimising energy consumption. In addition to expertise gained in designing passive-energy and positive-energy buildings and carrying out rehabilitation work, Bouygues Construction and Bouygues Immobilier are strongly committed to various initiatives and labels such as BBCA, E+C- and 2,000 Watts.

(a) Stemming from the 'Invent the Grand Paris Metropolitan Area 2' second call for projects.

- **BBCA (low-carbon buildings):** with Sensations, the tallest high-rise apartment building in France that is 100% timber (handed over in 2019), Bouygues Immobilier distinguished itself by achieving an Excellence score under the BBCA label. Specifically, the energy consumption for heating is set not to exceed 15 kWh per square metre of living space. Enjoy was further recognised as the largest timber-frame positive-energy office building in France.
- **E+C-:** the pioneering E+C- label (more Energy, less Carbon) was launched in 2016 to help companies keep pace with future environmental standards under 2020 rules on energy and carbon performance. To get ready, Bouygues Immobilier set up an internal monitoring unit to gauge the performance of 30 developments against E+C- standards, including 16 projects that had received or applied for labels. A project-wide carbon assessment tool was introduced to help operational teams, who were trained in carbon-reduction methods in late 2020. The Saint-Julien-en-Genevois project will host the E+C- Neighbourhood pilot project.
- **2000 Watts:** this Swiss certification recognises urban developments that commit to climate protection and show evidence of using resources sustainably. They are evaluated during all phases, from construction to operations. Losinger Marazzi, a Swiss subsidiary of Bouygues Construction, was the first to obtain this distinction.

Rehabilitation

Bouygues Construction and Bouygues Immobilier have also perfected rehabilitation methods. In 2009, Bouygues Immobilier launched the Rehagreen® service package for commercial property. Based on a comprehensive multi-criteria assessment of the building, covering technical, energy, planning, regulatory, commercial and other aspects, the purpose of the service is to identify and implement the rehabilitation scenario which most precisely meets the owner's enhancement objectives and the demands of the commercial property market, while respecting the building's architectural heritage. If the owner so wishes, the operation can be designed to fulfil the most exacting certification requirements (HQE™, BREEAM® and LEED®).

Bouygues Construction offers "Wizom Réhabilitation", for rehabilitating occupied or empty accommodation. It has three main aims:

- to help build harmonious communities;
- to enhance the value of property, and;
- to heighten the appeal of urban environments.

Ouvrages Publics, a subsidiary of Bouygues Bâtiment Ile-de-France, is being supported by C3E (Centre Efficacité Energétique) in rehabilitating the La Fontaine du Roy secondary school (Ville d'Avray, near Paris), in which it aims to cut energy consumption by 40%, guarantee pleasant conditions during the summer months and provide high-performance indoor airflow. Existing structures will be re-used where possible. Timber has been selected as the construction material for the staff accommodation because of its many advantages such as its disturbance-limiting properties and durability and the fact that it is organically sourced and quickly put in place. Work will get under way in June 2021, with initial handover scheduled for June 2022.

Managing energy efficiency

In order to reduce consumption, Bouygues Energies & Services and Bouygues Immobilier have developed and marketed tools for measuring and managing energy performance for their customers (Hypervision®, Flexom and Si@go®). Bouygues Construction's Wizom Connected service offers solutions for reducing a building's carbon footprint when it is already in use. Digital devices (such as smart thermostats), and a best-practice handbook sent to occupants, encourage them to change their behaviour. Wizom Connected provides for more efficient energy use, for example consumption measurement, automatic leak detection and shutdown, and remote management. Since launch in 2016, Wizom Connected has been fitted to all kinds of buildings, from office space and housing to hospitals. There are over 3,000 connected housing units in France to date.

The Group's business segments also offer energy-performance solutions for local authorities. Since trialling the IssyGrid® pilot project, Bouygues Immobilier has been capable of offering smart grids for all large projects. It also designs sustainable neighbourhoods to be smart-grid ready so that full-scale grids can be rolled out. Nanterre Cœur Université, designed by UrbanEra®, is the first eco-neighbourhood in France to have a dual heating and electricity smart grid. Special attention was paid to building design and energy efficiency. In addition to the smart grid, solutions developed in conjunction with EDF Optimal Solutions were also introduced. In total, 60% of the neighbourhood's energy is provided by a warm-water loop harnessing ground-source heat. Other components in the energy mix are bio-fluid cogeneration, photovoltaic panels and grey-water heat recovery. All these solutions combined keep costs low for occupants by harnessing renewable energy.

Project PhARRE: from solar power generation to storage in used electric vehicle batteries

In September 2020, power utility SyDEV, in partnership with Bouygues Energies & Services, kicked off PhARRE, an innovative project for storing solar-generated power in reclaimed electric vehicle batteries. PhARRE stands for photovoltaic energy, auto-consumption, recharging, and electric power networks. It is already being used as a power solution at the SyDEV headquarters in la Roche-sur-Yon, western France, storing energy and managing energy flows in real time within the building. One of the strengths of this local innovative solution is that it stores renewable energy produced by the 200 m² of rooftop solar panels in four second-life battery packs from Renault Kangoo electric vehicles installed in the basement levels. The batteries are discharged and recharged in accordance with the outdoor temperature and the building's energy requirements. They also store energy during off-peak hours and discharge it during peak hours, thereby reducing the energy bill. To carry the project through, Bouygues Energies & Services and SyDEV liaised with the Renault group (the pioneer and market leader in electric vehicles in Europe) for battery procurement and with BeeBryte, a French start-up that harnesses the potential of artificial intelligence to make buildings smarter and more energy efficient.

Urban services

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

- The Citycharge® solution, which installs electric vehicle charge points on lamp posts, makes it easier to roll out electric mobility solutions.
- Alizé® is a solution offering charge points for electric vehicles aimed at local authorities and businesses. With their smartphone, users can start charging their vehicles, see the location and availability of charge points in real time, and reserve a charge point. They can then receive a text message telling them that their vehicle has finished charging.
- France's first smart city, in Dijon, was inaugurated on 11 April 2019. Bouygues Energies & Services is responsible for the design, building, operation and maintenance of a connected control station that will remotely manage the urban infrastructure of the authority's 23 municipalities for a 12-year period. One of the targets is to save 65% on the energy bill by managing street lighting remotely.

Bouygues Energies & Services is developing SoWATT, an innovative web platform that with a few clicks selects the most suitable LED-based street lighting. SoWATT can be used to choose, quickly and easily, the best configuration for an individual street light, thus adapting lighting to levels of road usage. This is supplemented by environmental performance indicators concentrating on light pollution.

Objenious: IoT solutions for cushioning the environmental impact

Objenious, Bouygues Telecom's Internet of Things service brand, supports companies and local authorities with their digital transformation by offering products and services harnessing LoRaWAN®, 2G, 3G, 4G and soon LTE-M and 5G. Objenious brings together an ecosystem of various partners to provide solutions that save energy, reduce carbon footprints and promote soft mobility. For example:

- Objenious supports Sobre Energie with its IoT projects, especially through its nationwide low-speed network LoRaWAN. In total, 350 new connected sites have been deployed with the aim of harnessing IoT and smart buildings to achieve a 40% energy-saving target by 2030 and carbon neutrality by 2050 at the latest. Companies housed in specially equipped buildings have (depending on the location) achieved savings of 5-10% in their energy consumption – well above the national average.
- Antargaz, an energy supplier, chose Objenious to optimise data transfer from its smart meters, used by 8,000 of business customers equipped with propane gas tanks. This monitors gas consumption and tank levels round the clock and reduces the carbon footprint by limiting transportation, as gas deliveries are optimised.

Reducing the energy consumption of business activities

The Group's business segments are implementing programmes to help limit or reduce energy consumption arising from their operations (most notably TopSite at Bouygues Construction).

Bouygues Construction is testing out sensors measuring energy consumption by source on worksites. It is using Siconia sensors, supplied by Bouygues Energies & Services, to conduct predictive maintenance with an IoT application, and Qualistéo to display and manage energy flows, as a part of the lean energy initiative. The goal is to measure consumption for each type of tool, and then instigate remedial action to reduce energy use, leading at the same time to cost savings. Various steps are taken by Bouygues Travaux Publics to reduce plant energy consumption. This includes preventive maintenance and eco-driving training for mine operatives. Solutions are also developed, harnessing innovation, existing telecommunications networks and digital emission monitoring tools, to measure the energy consumption of its worksites. Some solutions are already past the pilot phase and are now implemented systematically in operations; others are still being trialled.

At Colas, energy consumption comes in a variety of forms, from fuel purchased for machinery to electricity consumption at quarries.

As part of its carbon strategy, Colas is working from several angles to keep energy consumption in check:

- the *My Mix* programme tracks output and energy consumption per mixing plant. Specifically, it can track energy consumption and the temperatures of asphalt mix production in real time, manage internet and text alerts, and generate reports. The software has been fitted to 24% of units, equating to 27% of sales before inter-company eliminations;
- *My Equipement* is a digital solution in roll-out phase. Colas equips its plant and vehicles with this energy consumption monitoring system, which records and analyses the energy drain of some 48,000 of them, across 2,000 materials production units and 800 profit centres; The end-goal is to improve the average utilisation rates, lower idling rates and drive down energy consumption.
- Employee involvement, with on-board and tracking systems being rolled out to monitor consumption of site machinery and vehicles, including training on eco-driving. Using these arrangements, Colas aims to reduce fuel consumption by 20%.

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

- warm asphalt mixes, which save some 15% in production-related energy relative to hot mixes. In 2020, warm asphalt mixes produced by Colas accounted for 20% of total output. All employees are ready to start expanding the use of these products across all areas.
- recycled materials, and especially reclaimed asphalt pavement (planed materials from old road pavement), which save bitumen and aggregates and reduce production and transport costs;

- in-place recycling, which also saves energy by reducing the need for materials and transport.

Colas is planning to extend measures and energy-saving targets to its entire vehicle and plant fleet in subsidiaries worldwide. For its own transport requirements, Colas also uses rail and inland waterways as an alternative to road haulage. The quantity of materials transported by alternative methods is equivalent to nearly 1,800 freight trains (with each train containing 44 freight wagons), which avoids using some 260,000 thirty-tonne trucks.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Energy used per tonne of asphalt mix produced (KWh per tonne)	Global	Asphalt mix production activities	81	79	Energy used per tonne of asphalt mix rose 2kWh relative to 2019. Increases were generally seen across the Colas group. The trend was more noticeable in some regions rather than others, for example in the British Isles, Middle East, and Southern and East Africa zone (up 8%, with Colas UK up 51%). Other regions made progress during the year, for example Asia-Pacific (down 6%).
Warm- and low-temperature asphalt mixes	Global	Asphalt mix production activities	19%	20%	The percentage of warm- and low-temperature asphalt mixes was stable relative to 2019 (down 1%).
Total energy costs € million	Global	All activities	366	450	Total energy costs fell 19% across the Colas group relative to 2019, owing to the Covid-19 pandemic and its effects on business.

Bouygues Telecom has implemented energy management systems and now has three ISO 50001-certified (energy management system) sites: Technopôle, the Printania customer relations centre and the Montigny-le-Bretonneux data centre (near Paris). At the data centre, a self-managing free-cooling system was installed on cooling units. It draws in fresh air from outside whenever the temperature drops below 9°C. Widespread use of cold corridors reduces energy costs by 18% while helping to manage temperatures within the rooms. Other best practices are also implemented, including regulating the air-conditioning units and shutting some off when weather conditions permit (40% of a data centre's overall power drain is linked to cooling).

Bouygues Telecom indicator

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Total electricity consumption (in GWh)	France	100% of Bouygues Telecom's consolidated sales	630	648	The drop in power consumption resulted from several factors: • Fewer staff on site during lockdown and continued efforts to achieve savings in offices; • Store closures due to the lockdown; • A more accurate calculation method used in 2020 concerning energy usage by the ISP network (DSL), based on equipment in service as opposed to invoice data, assuming maximum electricity consumption; • Consumption by server centres was down slightly. However, an increase was seen in two areas: • FTTH network consumption shot up as a result of the much faster roll-out of fibre hardware and integration of the public initiative network; • Consumption by mobile sites owing to expansion of installations, network coverage and higher customer traffic.

Promoting renewable energy sources

As far as possible, the Bouygues group's business segments use renewable energy sources as a way of reducing the energy footprints of their activities and of the products they use.

Bouygues Construction and Bouygues Immobilier have made positive-energy structures a major part of their business strategy, in order to prepare for the 2020 *Bâtiment responsable* (responsible building) RBR 2020 regulations. Positive-energy buildings produce more energy – much of which is solar, biomass or geothermal – than they consume. For example, Challenger, the headquarters of Bouygues Construction, was transformed into a positive-energy building during its renovation in 2014. The new Colas head office, Prism', has received Bepos-Effinergie® 2013 certification.

Finally, Bouygues Energies & Services, part of Bouygues Construction, has since 2012 been developing bespoke projects around the globe in renewable power generation, from photovoltaic to thermal and wind power.

A second floating solar farm was handed over in 2020 at Saint-Maurice-la-Clouère (central France), following the inauguration in 2019 of the first power plant of this kind in France by Bouygues Energies & Services in Piolenc (south-east France). This latest floating solar farm will cover the average annual power demand of 1,700 inhabitants (excluding heating) and prevent the emission of 1,000 tonnes of CO_2 in the atmosphere annually. Located on a former quarry (which closed in 2014 and became an artificial lake), it contributes to site rehabilitation while protecting local wildlife. Elsewhere, Bouygues Travaux Publics teamed up with Saipem to build the offshore Fécamp wind farm, comprising 71 turbines distributed at distances of 13 km to 22 km from the Normandy coastline. It will produce the equivalent of the domestic power consumption of around 770,000 people, equating to over 60% of the population of the Seine-Maritime administrative department.

Colas is also committed to transitioning its installations to low carbon and for this reason is investigating alternatives to fossil fuels (electricity, biogas, green hydrogen, etc.) as a means of reducing direct emissions linked to the fuel usage of its plant, vehicles and production facilities. It is also working with suppliers to find appropriate technical solutions that can help in this transition. Several R&D projects are under way for trialling processes for manufacturing and distributing hydrogen, in particular green hydrogen. Several Colas departments have signed up to this decarbonisation roadmap.

Colas is also continuing to develop Wattway. Its latest innovation is "Wattway Pack", a turnkey solution of three to twelve traffic-resistant photovoltaic panels that can be used to produce, provide and store renewable energy for roadside equipment, as a self-contained system, through use of an electrical cabinet equipped with a battery storage system. In September 2020, a 12-panel Wattway Pack was installed on the public pedestrian concourse in the Paris business district of La Défense. This local authority is seeking to produce, store and consume locally produced renewable energy. This initiative is called "Energy oasis". The power generated is used for recharging free-floating e-scooters. Again to encourage soft mobility, Wattway has forged ties with Nielsen Concept, a start-up, to develop and market their secure connected Mobilypod bicycle shelter. The photovoltaic panel in front of the bicycle shelter is used to recharge the e-bikes.

Water consumption in accordance with local conditions

The issue of water consumption varies in importance from one part of the world to another, depending on whether operations are situated in arid or temperate regions. Generally speaking, business segments within the Bouygues group are responsible for taking local water constraints into consideration. How water is managed is one of the criteria of the ISO 14001 standard and is contained in internal standards (TopSite and checklists).

Because of its water consumption in drought-prone areas, Bouygues Construction is implementing specific measures to safeguard water resources through the use of special equipment, water re-use, consumption tracking and awareness-raising among employees and business partners. For example, its subsidiary Bouygues Travaux Publics has wherever possible put in place systems for recycling water that can then be used in concrete, liquid mud plants or for ground watering.

Colas has introduced new indicators to measure and limit the stress placed on water resources by its operations in regions where water is extremely scarce. In order to limit the pressure exerted by Colas on water resources in dry regions, action plans aim to increase water self-sufficiency, encourage recycling and reduce waste.

The methodology used to assess the Colas zones concerned is based on the interactive Overall Water Risk – Baseline Water Stress map, published on the website of the World Resources Institute. The water consumption of Colas' permanent facilities in these areas in 2020 is estimated to be under two million m^3.

Colas has put in place a surface water and groundwater indicator to guard against the impact of accidental or everyday pollution at its permanent production and maintenance sites. This policy follows strict guidelines, built upon Colas checklists, to ensure that these sites are or can be completely isolated from the surrounding environment.

Additionally, Bouygues Construction and Bouygues Immobilier actively promote building environmental certifications (*NF Bâtiments tertiaires - Démarche HQE®* and *NF Habitat HQE™*), which have a section on responsible water management in a building's operational phase – covering drinking water management, rainwater recovery as well as wastewater and rainwater management.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Share of permanent activities located in extremely water-stressed areas % of sales before inter-company eliminations	Global	100% of the sales before inter-company eliminations of the permanent activities	6%	5%	In 2020, the number of sites located in extremely water-stressed areas represented 6% of the sales (before inter-company eliminations) generated by Colas installations worldwide.
Water self-sufficiency rate in extremely water-stressed areas % of m^3	Global	100% of the sales before inter-company eliminations of the permanent activities	40%	77%	In addition to reducing water consumption in these localities, a key objective for Colas is to increase water self-sufficiency so as to minimise disruption of the water cycle and downstream water use. The water self-sufficiency indicator was 40% in 2020, representing a sharp fall. This purpose of this indicator is that water used should be drawn essentially from internal sources as opposed to local water systems. This preserves access to water resources for other local users.
Share of sales in extremely water-stressed areas where an action plan has been implemented % of sales before inter-company eliminations	Global	100% of the sales before inter-company eliminations of the permanent activities	47%	60%	Implementation of action plans declined between 2019 and 2020 (as measured in terms of sales before inter-company eliminations and water consumption), mainly as a result of changes in scope arising from changes to the baseline map.

3.3.5 Protecting biodiversity

The Bouygues group has pinpointed the potential impacts of its construction businesses on biodiversity. These include:

- noise and light pollution;
- destruction or disruption of habitats and species;
- and the possible emergence of invasive species related to certain work procedures; and
- the loss of greenfield sites.

Colas is active in encouraging biodiversity:

- Improving quarries: the quarry programme covers quarries and gravel pits and consists of developing and nurturing ecological niches on its extraction sites by preserving noteworthy species and setting up beehives. In 2020, 170 sites (covering 44% of the sales before inter-company eliminations of Colas aggregates production sites) launched one or more scientifically supported initiatives to promote biodiversity and raise awareness amongst employees and local residents.
- Partnering with start-ups: in 2016, Colas created a sanctuary for black bees in south-east France, in partnership with Apilab. The sanctuary, which comprises 20 hives, is located at the Cozzi quarry, near Norante. This scientific project uses a protocol for the genetic analysis of mitochondrial DNA that was developed by the CNRS (the French National Centre for Scientific Research). It is conducted in partnership with local beekeepers and the mayors of the towns neighbouring the quarry. Another conservation project, for protecting Melipona bees, is in progress in quarries in French Guiana.
- Partnering with the French Biodiversity Research Foundation (FRB): Colas has been part of the FRB steering committee since 2011. It also supports the organisation's young researchers award (2018 and 2020) and projects led by the Club 4 research circle, which investigates global changes and sustainable management of biodiversity overseas.
- Combating the spread of invasive exotic species: Colas may be an unintentional propagator of invasive exotic plant species at the locations where it operates. To counter such damage, it has undertaken inventory and monitoring initiatives as well as specifically training employees. It has started drawing up species recognition factsheets, adjusting procedures for the reception of soil on recycling platforms, limiting exposed surfaces and trialling new ideas for combating invasive plant species. Colas wants to take these initiatives to the next level by teaming up with the scientific community to research techniques for containing invasive plant species and preventing them from spreading.
- Environmental engineering: In France, Colas is building up expertise in environmental engineering by partnering with the Environmental Engineering Federation (UGPE). The aim is to design services for protecting ecosystems, such as rewilding and restoring waterways and wetlands, installing facilities to restore ecological corridors and providing guidance on working in vulnerable natural areas.

Colas Indicator

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Share of aggregates production sites working to promote biodiversity as a % of sales before inter-company eliminations	Global	100% of the sales before inter-company eliminations of the permanent aggregates production sites	44%	52%	The ratio (as a percentage of sales before inter-company eliminations) of aggregates production units working to promote biodiversity was down 8 points relative to 2019. It was down sharply in the Indian Ocean region (down 25 points) and the US (down 9 points). However, fresh initiatives were implemented last year in the BIMEA zone[a] (up 17 points) and Oceania (up 40 points). Altogether, 171 aggregates production sites implemented biodiversity measures, of which 145 involved noteworthy species and 56 new beehives; 30 sites in total did both.

To take proper account of biodiversity in urban development projects, Bouygues Construction has contributed to the creation of BiodiverCity®, the first-ever worldwide label for recognising construction and renovation projects that factor in urban biodiversity. BiodiverCity is currently managed by IBPC[b], an organisation bringing together builders, developers, users and trade federations. Bouygues Construction is also helping to design new reference bases for this label: BiodiverCity® Life and BiodiverCity® Ready. While the current label assesses the inclusion of biodiversity in projects during design and construction phases, these new benchmarks will broaden the spectrum to include existing buildings and biodiversity at the neighbourhood level. Furthermore, in 2020, 31.4% of projects carried out by Bouygues Construction included measures relating to biodiversity compared to 32.81% in 2019.

(a) British Isles, Middle East, southern Africa, eastern Africa.
(b) International Biodiversity and Property Council.

Bouygues Construction and Bouygues Immobilier have already used this label with several certified structures.

Beginning in 2014, Bouygues Immobilier was one of the first property developers to roll out the BiodiverCity® Construction label, subsequently applying its criteria to entire neighbourhoods. For example, the BiodiverCity® Ready label, design phase, was awarded to Nanterre Cœur Université, a neighbourhood development project, as part of a trial for the future label. Additionally, Bouygues Immobilier was awarded the BiodiverCity® label for its Camélia residential development, the first such one in Poland. In Créteil near Paris, the Neo-C project, which was one of the seven pilots for the BiodiverCity® Construction label, design phase, retained its designation following an audit of the construction phase. In 2020, Bouygues Immobilier joined the board of IBPC, a pan-industry federation sponsoring the BiodiverCity® label. To date, 15 projects representing 8,774 Bouygues Immobilier housing units already carry the label or are in the process of applying for it.

Bouygues Immobilier Indicator

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Number of housing units carrying the BiodiverCity® Ready label or covered by a commitment to obtain it at 30 September 2020	France excluding subsidiaries	88% of Bouygues Immobilier's consolidated sales	481,000	481,000	No new projects applied for the BiodiverCity® Ready label in 2020. The Nanterre Cœur Université neighbourhood (76,000 m² floor area) received the label in its design phase in 2019, as part of a trial for the label. The Annemasse, Divonne-les-Bains and Les Fabriques (200,000 m² in Marseille) projects are also working towards obtaining BiodiverCity® Ready.

Bouygues Construction indicator

Indicator	Scope (activity or region)	Coverage	2020	2019	Remarks
Number of construction projects with the BiodiverCity® label	Global construction activities	46% of Bouygues Construction's consolidated sales	1	1	Biotope, the future headquarters of the Lille metropolitan authority, is an emblematic example of a building set in nature. The project, which was handed over in December 2019, has brought together a wide range of stakeholders, ranging from environmental scientists and landscape architects to the local tree nursery, a botanical conservatory and local charities, in order to achieve a type of construction that is adapted to nature, not the other way round. A varied range of ecological environments, adapted to the building's setting, were recreated by reproducing the previous conditions as closely as possible. The greened sections on the roofs and ground floor integrate some of the plant varieties found on the site before the project (common dogwood, honeysuckle vines, etc.). The project has become a stand-out example in its field, as testified by BREEAM Excellent and WELL Gold certifications, as well as the BiodiverCity®, E+C- and Wiredscored labels.

To consider biodiversity more fully in its projects, in both the design and the construction phases, Bouygues Construction is framing its new biodiversity policy – which will be rolled out in 2021 – around three areas of action. Initiatives will be adapted to each entity depending on its specific issues and the nature of its business, with the aim of:

- raising awareness along the value chain, from clients, employees and subcontractors to business partners;
- making biodiversity second nature across all projects (adjustment of actions to project type and local setting);
- being the driving force whenever Bouygues Construction is doing the designing, by integrating biodiversity-friendly solutions into building design such as green roofs and methods to reduce light pollution.

The cross-disciplinary R&D biodiversity programme is yielding innovative solutions that resource these initiatives.

Within the Grand Paris major infrastructure programme, Bouygues Travaux Publics has to deal with invasive plant species: preventing them from spreading as a result of the construction work and eliminating affected areas wherever possible. Environmental scientists are called in to draw up inventories of invasive species and determine their precise location.

For many years Bouygues Immobilier has been committed to protecting biodiversity and integrating wildlife into its urban development projects. In 2020, Bouygues Immobilier was the first company to receive the "Métropole Nature" label in the Grand Paris metropolitan area. It was also one of the first 12 companies to commit to the Act4Nature corporate alliance, in 2018 alongside Bouygues Construction.

Bouygues Immobilier has set a vision for 2025, following four main avenues:

- reduce urban sprawl, by building inside towns and cities where possible;
- improve permeability of ground surfaces;
- use surfaces that help biodiversity; and
- support customers in managing their green spaces ecologically and economically – if possible with local participation.

Bouygues Immobilier undertakes to reduce negative impacts on biodiversity by following these courses of action in all its projects. Additionally, it wants 25% (by surface area) of the projects it designs to be biodiversity positive[a] by 2025. As with all its CSR pledges, the biodiversity positive indicator will be applicable to each project then consolidated at company level. The assessment method has been approved by IBPC[b] and will provide a clear view of Bouygues Immobilier's ambitious commitments. In tandem with this roll-out, all employees will gain in expertise and a catalogue of solutions will be created. Bouygues Immobilier firmly believes that interaction between landscapers, environmental scientists and project managers should be strengthened. As a consequence, a range of internal resources are being developed to ensure that action on the ground is appropriate and genuinely positive.

In 2020, TF1 signed up to the Act4Nature corporate alliance, initiated by the French Ecological Transition Ministry under the auspices of the French Biodiversity Authority. This alliance brings together those companies pledging to incorporate biodiversity issues into their business strategies.

(a) A project is described as "biodiversity-positive" when a site contains more biodiversity-supporting spaces post-development than it did in its initial state.
(b) International Biodiversity and Property Council.

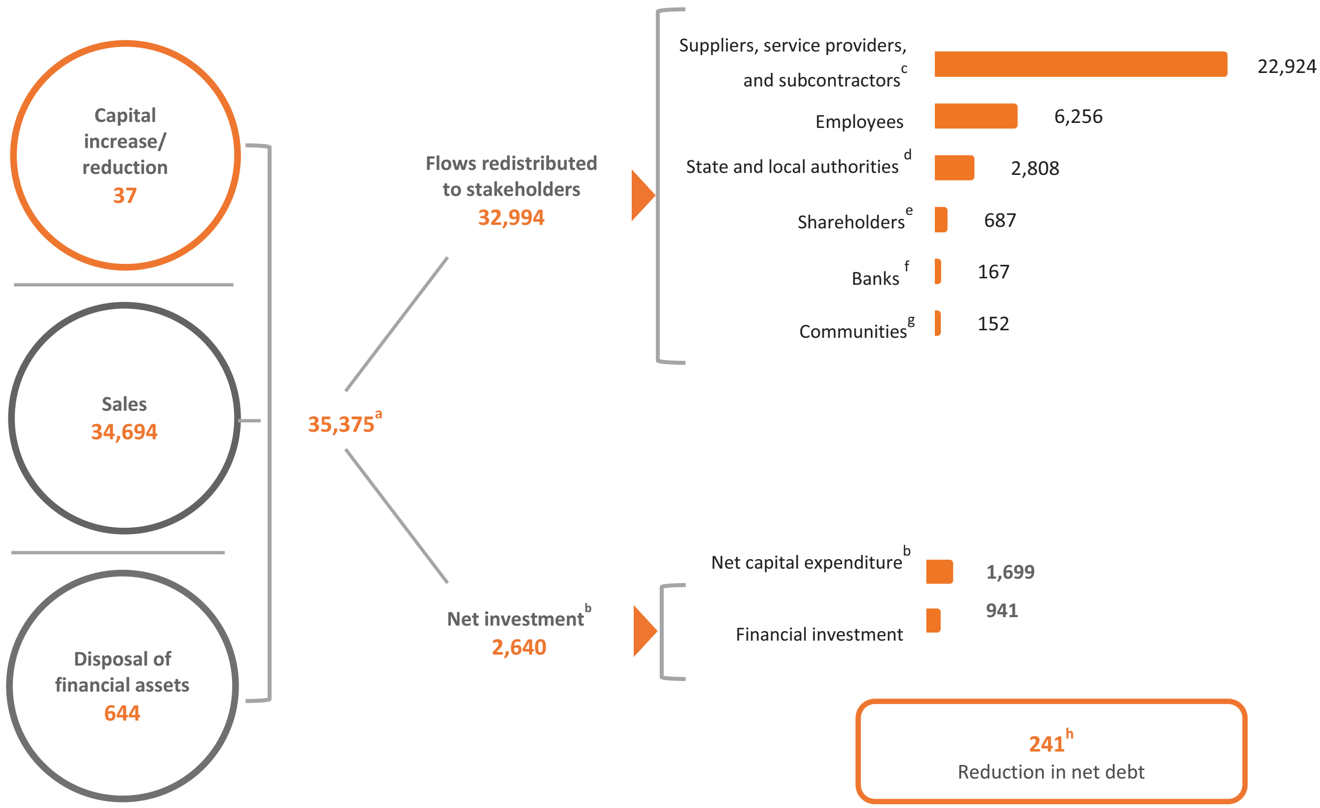
3.4 SOCIAL INFORMATION

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

Financial flows generated by the Bouygues group in 2020

€ million

The redistribution of the financial flows generated by the Bouygues group has a positive impact on regional economic development and appeal. Investing in the Group's future growth contributes to sustaining this positive impact.



(a) In addition to the financial flows redistributed to stakeholders, net investment and the reduction in net debt, this figure also includes a negative amount of €500 million relating to (i) the difference between income tax owed and income tax paid, (ii) the change in the working capital requirement, and (iii) other items.

(b) Includes the first instalment for 5G frequencies of €87 million.

(c) Purchases and other external expenditure.

(d) Income tax, social security contributions and other taxes.

(e) 2019 dividends paid in 2020, of which €81 million paid to employees.

(f) Cost of debt and other charges.

(g) Donations, patronage and sponsorship.

(h) After changes in the working capital requirement (WCR) and currency effects.

3.4.1 Responsible practices

3.4.1.1 Initiatives in place to guard against corruption

For many years, the Bouygues group has taken care to promote ethical conduct as a fundamental value in the course of its activity.

With this in mind, in 2006 it published a Code of Ethics which acts as a point of reference for all its employees. In particular, the Code states that the Group's activity, especially the negotiation and performance of contracts, must not give rise to corruption, influence peddling or similar offences. The Code of Ethics therefore calls on all senior executives and employees to comply with a set of principles which they must abide by under all circumstances and in all the countries where the Group operates. To this end, the Code has been disseminated widely within the Group and is published on its corporate website[a].

Code of conduct

The Group Anti-Corruption compliance programme, adopted in 2014, was updated in 2017 to factor in the provisions of the Sapin 2 law relating to the prevention of corruption. It corresponds to the code of conduct covered by article 17, paragraph II, point 1, of the law. It is prefaced by Martin Bouygues, Chairman and CEO of the Group. The document states the Bouygues group's zero-tolerance stance on corruption and its position as to the duty of understanding and care that everyone must exercise, along with the resulting responsibilities – especially for senior executives.

The Anti-Corruption compliance programme specifies the measures in respect of information, training, prevention, control and penalties that are to be implemented within each business segment. It devotes specific sections to Group rules and recommendations applicable to various practices that are prone to a risk of corruption, namely gifts and invitations, the financing of political parties, patronage, sponsorship, use of business intermediaries and lobbying. In early 2020, the Group also published a "Gifts and invitations" policy, setting out guidance on when and how employees are permitted to offer or accept gifts and invitations in the course of their professional duties.

The Group Ethics Officer within each business segment appoints an officer responsible for implementing the Group Anti-Corruption compliance programme.

Prevention

The Group's Anti-Corruption compliance programme specifies that all senior executives who have operational responsibility for a Group entity (subsidiary, branch, division, etc.) must implement appropriate corruption prevention and detection measures. They must also ensure that these measures are effectively applied, with the assistance of the business segment's Ethics officer.

This compliance programme includes the following prevention measures in particular:

- Legal departments must ensure that information is properly disseminated and implement training that deals appropriately with the risk of corruption in the entity concerned.
- The Group has strict financial and accounting procedures in place, designed and implemented by its entities and aimed at mitigating the Group's exposure to risk, particularly by preventing the use of payment systems for fraudulent or corrupt purposes.
- Delegations of authority to persons with responsibility for an entity, department or project, or to an individual who exercises a role within a sales or purchasing department, must clearly set out to those granted authority their obligations to comply with anti-corruption laws. Each business segment draws up a risk map to identify, analyse and rank the risks of its entities' exposure to external solicitations of corruption. This map should factor in the business sectors and geographical areas in which the entities operate.
- Each business segment must implement procedures to assess its customers, suppliers, service providers, intermediaries and, more generally, its business partners based on the corruption risk map. The business segment Ethics officer, in liaison with the relevant line managers, must ensure that all of the business segment's entities are able to run an assessment process before entering into a business relationship with a partner, as well as during the business relationship;
- Each business segment must carry out an audit of the business segment's compliance with applicable legislation and the Anti-corruption compliance programme:
  - at the inception or end of all major projects,
  - when launching a new business activity, or
  - when starting up in a new country, particularly if that country has a poor record on corruption.

Training

The Sapin 2 law highlights the need to implement training for senior executives and other employees with the highest exposure to risks of corruption and influence peddling. The Anti-Corruption Compliance Programme states that senior executives and employees involved in obtaining and negotiating contracts or purchases for their company must be aware of and understand the main points of the anti-corruption laws and the risks involved in their breach.

Since the early 2000s, the Bouygues group has promoted key values such as business ethics, respect and responsibility by organising a range of seminars aimed at managers. The purpose of each seminar is to create space for dialogue and discussion in which each participant not only learns more about the Group's positions but also must take a personal stance and clarify their own convictions as a way of guiding their behaviour and management style.

(a) bouygues.com

In late 2018, a new seminar on business ethics, with a focus on corruption and collusive practices, was held for corporate officers and other employees with the highest exposure to risks of corruption and influence peddling. In 2020, efforts to roll out the seminar continued despite the problems caused by the pandemic. Six seminars were held, comprising 12 days of training. A further 117 employees received training. A total of 375 employees have been trained in this way since the seminar was launched.

Each business segment must also design and implement training adapted to the corruption risks specific to their operations and the regions in which they are active. However, the pandemic and the associated lockdowns meant that certain training activities had to be temporarily suspended during 2020, although most were resumed in the last quarter of the year.

Bouygues Construction

Bouygues Construction has set up a corporate university called Bouygues Construction University, which designs, develops and delivers cross-disciplinary training courses for its group of companies. As a supplement to these courses, a range of training modules on ethics and compliance or, more specifically, corruption, are ordered and/or developed and/or led by the legal and compliance department of Bouygues Construction or by the legal departments of its entities.

Following on from initiatives undertaken since 2011, the special ethics and compliance training plan has been implemented within each Bouygues Construction entity through training modules targeting specific categories of employees.

In order to expand and improve training performance, a specific e-learning module called "Fair Deal" was launched by Bouygues Construction in December 2015. It is available to all employees in France and abroad with access to “BYLearn”, Bouygues Construction’s digital training platform: i.e. almost 24,400 individuals. “BYLearn” was accessible right through 2020. Employees – particularly those joining the company – were invited to complete the module in order to encounter realistic scenarios involving corruption, anti-competitive practices, gifts and invitations, as well as patronage and corporate sponsorship activities. In 2020, 58% of employees were trained using this module. Bouygues Construction is due to roll out a new digital training module on compliance issues in 2021.

In addition to this initial programme, modules about the anti-corruption policy are included in the training programmes that deal with ethics and compliance more generally. In particular, Bouygues Construction has included these modules in the following classroom-based training courses:

- “Marco Polo” and “Ulysse”, which are aimed respectively at managers promoted to executive roles and managers with high potential. The “Marco Polo” course is delivered approximately twice a year and “Ulysse” five times a year (in both French and English);
- “Mercure 1”, which is designed for sales and marketing executives, is delivered once or twice a year;
- The Legal/Purchasing training course, which is aimed at employees in the purchasing department and is held two or three times a year;
- “Day One”, for employees likely to be posted or seconded abroad, is delivered once a month.

Bouygues Immobilier

Bouygues Immobilier has taken steps to ensure that an ethical business culture is promoted throughout the company.

First of all, line managers explain Bouygues Immobilier’s rules of ethical conduct, and the need to comply with them, to every new employee before the end of their trial period. Furthermore, new employees are required to complete two on-line training modules on ethics. These modules, which are compulsory for all employees of Bouygues Immobilier, are accessed from “BI Learn”, the on-line training platform. Reminders are sent to employees who have not completed the two e-learning modules on ethics. In 2020, access to these modules was extended to the Loticis, Le Chêne Vert and Patrignani subsidiaries.

Finally, new recruits participate in induction seminars known as “BI Quest”, which remind all new employees of the importance of ethics in business. A member of the General Management Committee attends these seminars and stresses the company’s commitment to ethical business conduct. In 2020, 115 employees attended this induction seminar (either in person or by webinar).

Modules specific to Bouygues Immobilier’s areas of activity have been developed as part of the general training schedule. Classroom-based sessions relating to property development projects involving public authorities have been provided in this manner. The objective is to raise employee awareness of the ways in which such activities may lead to breaches of probity.

Colas

The “Applied ethics and compliance” module was updated in 2020, both in France and internationally, and sent to the legal affairs managers responsible for overseeing this training at local level. The aim of this module is to familiarise all employees with the core principles of Compliance documentation and provide an overview of related procedures. A total of 6,253 employees were trained between 1 November 2019 and 31 October 2020.

In addition, Fair Play[a] continued to be rolled out in 2020. This takes the form of an e-learning module and is available to employees with a professional email address. It is specifically designed to explore issues relating to ethical best practice. In 2020, 233 employees completed this induction training. A total of 4,939 employees have been trained since 2017. Translations into German, Croatian, Spanish, Flemish, Polish, Romanian and Czech are now available on the distance learning platform.

TF1

In 2020, an e-learning solution on the topic of anti-corruption was selected and customised for TF1 group employees. The latter are required to complete the training courses offered on-line.

Meanwhile, a new course was developed in 2020 for employees considered to have the highest exposure to risks of corruption and influence peddling. The first sessions will be delivered early in 2021. The main themes covered are gifts and invitations, conflicts of interest, the use of intermediaries, patronage, and relationships with public entities. At the end of the training sessions, each participant receives a file summarising how to handle such issues correctly on a day-to-day basis.

(a) Learning platform based on video games (serious games).

Bouygues Telecom

In 2020, Bouygues Telecom pursued the training activities implemented over the past two years. The online training courses launched in 2018 continued in 2019 and 2020, thus increasing the number of employees trained and informed about ethical matters. A total of 4,928 employees out of 8,000 took the Anti-Corruption module. The on-line modules were run again for the employees who had not taken and/or completed them. The reminder system was revised to enable wider dissemination and involve managers in monitoring the completion of these training courses by employees.

Additionally, two specific training sessions, in the form of virtual classes, were delivered to employees whose work makes them particularly exposed to risks of corruption and influence peddling. In 2020, 156 employees were identified as needing to attend these sessions, which were organised in an interactive format that included case studies adapted to telecoms activities. These sessions are due to continue being delivered to their target audience in 2021.

In 2020, the Ethics officer and the Compliance department also provided assistance to senior management and the various departments of the company and its subsidiaries. This assistance covered the implementation of the Group's Gifts and invitations policy, the procedure applicable to patronage and sponsorship activities, and increasing the visibility of the Group's whistleblowing platform. The Ethics officer also disseminated information about these topics more widely on the corporate intranet.

Finally, at the end of the year, courses on ethics and preventing the risk of corruption were run at the entities recently acquired by Bouygues Telecom (all the managers at 1913[a] and Keyyo[b]).

Corporate whistleblowing facility

The Bouygues group has created an online platform specifically for reporting breaches and/or violations of the Group's compliance programmes.

The platform, which all the business segments can access, is on a website (https://alertegroupe.bouygues.com/) so that all employees (internal, external or occasional) can report a problem online, using a password and login. Whistleblowers must act in good faith and never seek their own interest, and must have personal knowledge of the reported facts or events. They may choose to report their concerns to the Ethics officer of the business segment, or, if it appears that the breach is wider in scope, to the Group Ethics Officer. These officers are subject to a heightened duty of confidentiality.

In addition, the Group has used numerous methods of communication and awareness-raising to ensure that knowledge of this facility is widely disseminated (publications on its various social media, specific articles in the Group's internal magazine, inclusion in the various internal training initiatives, a special page on the Group intranet, etc.). The procedure for the receipt and processing of whistleblowing alerts is also published on the Group's corporate website as an appendix to the Code of Ethics.

Bouygues Construction

Bouygues Construction uses the whistleblowing system described in the Bouygues group's Code of Ethics. Details are also provided in the practical guide available on the intranet and issued to employees of Bouygues Construction during their induction.

Bouygues Immobilier

A permanent notice about the corporate whistleblowing system may be found on the Bouygues Immobilier intranet. A permanent banner appears on the intranet home page. A reminder of how the system works is also included in the two on-line training modules on ethics. These modules are compulsory for employees of Bouygues Immobilier.

Finally, employees may also raise a whistleblowing alert by email (alerteprofessionnelle@bouygues-immobilier.com).

Colas

A booklet containing Colas' compliance procedures was issued in April 2019, bringing together in a single document all internal processes introduced in application of the Code of Ethics, compliance programmes and the general principles of internal control. In September 2020, an updated version of this booklet was distributed to all the companies in which Colas directly or indirectly owns a stake of at least 50%. In particular, the update covers the introduction of digital tools (including E-Comply, a software programme developed by Colas to digitise Compliance procedures), policy changes (especially regarding gifts and invitations) and feedback received following the booklet's first full year in use. One section of the booklet covers procedures and rules for gathering and responding to whistleblowing alerts relating to ethics.

ColasShare, an intranet site on compliance matters, has also been set up, serving as a repository of all information on the subject (documentation about ethics, training materials, whistleblowing procedure, etc.).

TF1

TF1 uses the whistleblowing system described in the Group's Code of Ethics. Employees can access the whistleblowing platform from the Ethics sections of the existing intranet sites. Alerts can therefore be raised using the Bouygues group's whistleblowing platform.

The arrangements for logging whistleblowing alerts were presented to employee representatives of TF1 and at sessions to raise awareness of the Sapin 2 law and business ethics. A specific message on this subject was also made to TF1 group employees via the corporate intranet, VousFaitesTF1. Information about this whistleblowing platform will be regularly reiterated, particularly during the training courses aimed at people considered to have the highest exposure to risks of corruption in the TF1 group.

Bouygues Telecom

The campaigns to raise awareness of the Anti-Corruption compliance programme and, more particularly, the corporate whistleblowing platform were continued during 2020. Videos made for this purpose were regularly disseminated on internal media, particularly by means of dynamic visual displays on all the screens at the company's various sites and on its corporate intranet. Furthermore, the visibility of the whistleblowing platform has been optimised to make it easier to access (increased number of key words to facilitate access to the platform).

(a) 1913 is a subsidiary of Bouygues Telecom with a focus on businesses, especially SMEs and intermediate-sized enterprises.
(b) Keyyo is a subsidiary of Bouygues Telecom that specialises in solutions for SMEs and micro-businesses.

Risk mapping

Pursuant to article 17.II.3 of the Sapin 2 law, Bouygues ensures that each business segment maps its risks of exposure to corruption.

This risk map calls for a thorough knowledge of the internal processes of the Group's business segments. Each business segment has therefore drawn up its own map in conjunction with its operating entities in order to cover the specific features of each sector of activity.

The Group business segments with a significant international presence have also carried out this exercise for their main subsidiaries. At Bouygues Construction, the risks of exposure to corruption are mapped onto different factsheets for each country. These were used to draw up a list of 39 countries, representing over €12 billion of sales. At Colas, the subsidiaries have drawn up 65 maps by business line and by country using a shared software programme (Colasmap).

This method, which is still being implemented, enables the Bouygues group to obtain an overview of current corruption risks and strengthen its prevention measures.

Assessment of third parties

Owing to the diversity of its activities and its international presence, the Bouygues group calls on the services of a very large number of third parties. In order to protect themselves from the legal, financial and reputational risks that may arise from a business relationship with a partner, the business segments have set up processes for assessing the integrity of counterparties when such a relationship is under consideration.

Tools were therefore introduced throughout the Group to enable all the business segments to assess counterparties presenting a risk. Each business segment adapts the tools supplied and/or supplements them with additional measures so as to take account of the specific features of its activity, especially the relationships it maintains with counterparties. The business segments have therefore published specific procedures and policies for certain activities and transactions that could present risks (such as "patronage and sponsorship" policies). They have also brought in questionnaires on the anti-corruption rules, including questionnaires aimed at the higher-risk categories of third parties (such as intermediaries or third parties connected with merger and acquisition transactions).

Finally, various digital databases and external service providers are used to assist with internal processes, depending on the characteristics of the relationship or transaction under consideration.

Once the assessments have been completed, the entity concerned may decide to enter into a relationship with a counterparty, continue with a current relationship or alternatively terminate it.

Internal assessment

The Sapin 2 law requires companies to run internal assessments to evaluate the measures in place.

Combating corruption is a theme of the Group's Internal Control Reference Manual. A business segment may add specific provisions to this manual where necessary to make the compliance programme more effective.

Its effectiveness is monitored annually by means of a self-assessment of the internal control principles implemented in the business segments and their subsidiaries. Should the self-assessment reveal deficiencies in the implementation of the compliance programme, an action plan will be drawn up and implemented promptly.

Audit departments, assisted by the ethics officers, may be periodically asked to check that the activities comply with the principles of the compliance programme and the Internal Control Reference Manual of the Group and its business segments.

External audit firms may be appointed by the Group or a business segment to detect any instances of corruption, especially when the Group or the business segment has reliable indications suggesting that there has been wrongdoing.

Disciplinary sanctions

The Sapin 2 law requires that companies implement disciplinary sanctions that will apply to its employees in the event of a breach of the company's code of conduct.

It stipulates that when a company discovers an incidence of corruption, it should verify the facts and consult the necessary internal and external advisers before taking any legal action such as filing a complaint with the legal authorities. Senior executives or employees who breach the provisions of the compliance programme or engage in bribery or corruption will be liable to punishment, which may include termination of their executive office, disciplinary action and dismissal. Senior executives and employees will be responsible for paying any fines and other financial sanctions imposed on them by a court.

3.4.1.2 Security of personal data

The protection of personal data was strengthened following enactment of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the General Data Protection Regulation, or GDPR).

Bouygues Construction

Bouygues Construction has developed a personal data protection policy geared primarily towards the processing of data produced by IT systems used by human resources departments.

Bouygues Construction has entrusted the governance of personal data protection to the company's IT and legal departments. This policy is managed by the DPO[a] of Bouygues Construction, with the assistance of a network of officers (including DPOs) distributed throughout the entities of the business segment, and drawing on expertise provided by the IT and legal departments.

Applications containing personal data are reviewed in accordance with GDPR principles, such as privacy by design and privacy by default, with the review also examining mentions of personal information. The management of requests for access rights is organised by means of email addresses reserved for employees and external requests respectively.

(a) Data Protection Officer.

Many classroom-based training courses have been held at Bouygues Construction to educate and support the IT specialists who process personal data, as well as the employees in the departments concerned. An on-line training course available in three languages has also been rolled out to make employees more aware of these issues.

Finally, given its many operations throughout the world, Bouygues Construction worked with CNIL[a] to obtain certification for its Binding Corporate Rules (BCR). An application has been sent to CNIL, and Bouygues Construction is waiting to hear back. The aim of this procedure is to provide a legal framework for use with countries not subject to GDPR.

Bouygues Immobilier

Bouygues Immobilier continued to implement its compliance drive in 2020, enabling it to respond to the requirements of GDPR as regards:

- strengthening the data security policy, in particular by introducing a more rigorous review of the system for authorising access to its IT system;
- setting up mechanisms for purging personal data from databases containing details of existing and potential customers, with due regard to the legal retention periods for such data;
- updating the employee education campaign by means of two on-line training modules on personal data and the main principles of GDPR, a specific section on the intranet and classroom-based courses run by the DPO;
- maintaining a data protection register for all the subsidiaries of Bouygues Immobilier.

Colas

In view of the nature of its business, Colas has made it a priority to implement a policy to protect the personal data of its employees.

In 2020, measures to protect all personal data were enhanced to reflect the growth in innovation activities. This mainly took the form of a review of applications in accordance with the principles of "privacy by design" and "privacy by default".

In September 2020, the decentralised governance implemented by Colas resulted in a data protection officer (DPO) being appointed at Colas SA and a legal expert specialising in the protection of personal data being posted to the group legal and compliance department. The DPO can call on a global network of 37 officers drawn from Human Resources. These officers are assisted in their work by members of the legal and IT departments.

Policies for the protection of employees' personal data and data for the attention of third parties have been published. Procedures for managing the rights of individuals and breaches of personal data have also been disseminated, together with standard templates for contractual clauses.

These resources are posted on an intranet site dedicated to GDPR ("ColasShare"), accessible to all employees and available in English and French.

As a global company, Colas has also drafted Binding Corporate Rules (BCR), which will be submitted to CNIL, the French Data Protection Authority. Once approved, the document will be rolled out to all subsidiaries.

TF1

TF1 appointed a data protection officer (DPO) for TF1 and Newen in May 2018. This person manages a network of 54 data, operational and legal officers from each of the departments or subsidiaries of TF1 and Newen. A DPO attached to the legal department of Unify was also appointed for all the entities of the Unify group (apart from Gamned!, which has its own DPO).

TF1 has introduced a general GDPR policy that all TF1 employees must uphold, comprising internal rules and guidelines on data protection for each business segment.

In order to comply with the principle of responsibility, TF1 and its subsidiaries have also developed procedures for managing the rights of individuals and breaches of personal data, as well as various sets of standards, such as the one relating to data retention periods, the Security checklist and the privacy by design checklist.

The internal regulations, business activity factsheets, procedures and various standards are available on the corporate intranet under GDPR, thereby making it easier for employees to access the compulsory documentation.

Finally, a data privacy tool has been rolled out to enable:

- a smooth compliance implementation process;
- standardisation of processing register updates;
- the management of access requests received by TF1 departments.

Bouygues Telecom

In 2020, Bouygues Telecom continued with the measures implemented since GDPR came into force, particularly the wider use of governance committees both at Bouygues Telecom and in its subsidiaries. It also set up a process to ensure that the company's documentation is regularly updated.

In addition, Bouygues Telecom has run campaigns to raise awareness of data protection issues. These were aimed at its employees (by means of a compulsory on-line training module on processing data) and its customers (for whom Bouygues Telecom runs campaigns to raise awareness of phishing[b]).

In 2020, Bouygues Telecom also rolled out consent management platforms in order to ensure the robustness of the consents collected and help customers select options.

Finally, Bouygues Telecom continued to secure its IT system and strengthen its detection measures.

(a) The French Data Protection Authority.
(b) Fraudulent activity on the internet designed to obtain confidential information from victims with the aim of defrauding them.

3.4.1.3 Ethical reporting

The pandemic underlined the social impact of TF1's activities and the public service it provides as a broadcaster of news and information.

TF1 went beyond disseminating the government's messages about safety precautions and chose to extend its news bulletins significantly. Its aim was to cover the pandemic as fully and rigorously as possible in order to prevent the virus spreading and hospitals being overwhelmed, while also presenting new daily updates about the positive actions taken by the French population.

Doctissimo has carved out a position as a digital health brand that is both pioneering and trusted. In 2020, Doctissimo enhanced its professional reputation in the eyes of its users by setting up a new medical committee chaired by Dr Gérald Kierzek. This committee, which consists of physicians and some 30 experts, covers a very wide range of disciplines and helps TF1 provide reliable, properly sourced editorial coverage of numerous diseases.

Upholding its public commitments in the area of ethical news coverage is of central importance to TF1 as it strives to ensure that its news department acts responsibly and independently and that its programmes meet broadcasting standards, under the guidance of the Broadcasting activity and the General Counsel.

- The TF1 News department is tasked with ensuring that ethical principles common to the industry are followed in its newsrooms.
- In France, the main journalist trade unions have adopted an ethical charter setting out professional standards for the industry. It can be consulted on the website of the SNJ (Syndicat National des Journalistes).
- The ethical charter specifically for TF1 journalists was signed on 28 January 2019. It was sent to all the company's journalists on 13 February 2019. Every newly employed journalist receives a copy of the charter when signing their employment contract.

In 2017, a committee of leading independent experts was set up to help ensure compliance with the principles of honesty, independence and diversity of viewpoints in news gathering and programmes on TF1 channels. This committee met twice in 2020. The TF1 News department pays extremely close attention to image sources and prohibits the use of amateur video clips when their origin cannot be accurately ascertained. When amateur videos that can be cropped and edited are used, the channel inserts the message "amateur video", specifying the date on which the images were recorded, if possible.

3.4.2 Product and service quality, safety and comfort

At the Bouygues group, respect for customers and users of its products and services is a core value common to all its activities. This mindset is especially prominent in the commitments that it upholds for protecting the health and safety of users, as well as the requirements that it imposes on the quality and user comfort of its products.

3.4.2.1 Protecting consumer and user health and safety

Air quality within buildings

Bouygues Construction and Bouygues Immobilier have been working for several years to improve the air quality inside their buildings. They have begun measuring this and are striving to improve it through the use of suitable materials and more efficient ventilation systems that can be regulated in real time using sensors.

Bouygues Energies & Services, Linkcity, Atmo Aura and the "Météo du souffle" ("Respiratory Wellbeing") initiative are testing an indicator for measuring air quality at Eureka Confluence in Lyon as part of the Industrial Demonstrator for Sustainable Cities (DIVD) programme.

In 2017, Bouygues Immobilier staff based in Toulouse helped design a special label attesting to indoor air quality in new housing. Called "Intairieur", it is backed by Immolab and was the brainchild of property and construction experts with help from healthcare professionals. Launched in early 2018, it was applied to Oreka, a development of 174 housing units located in Le Séqué eco-neighbourhood in Bayonne. This development was the first housing project carrying the "Intairieur" label in France in 2019.

Electromagnetic fields

In 2020 Bouygues Telecom helped update the French Telecoms Federation's brochure on mobile phones and health to take account of the new statutory regulations on publishing the Specific Absorption Rate (SAR) of radio equipment. The new version is distributed to all new customers and to existing ones when they change their SIM card.

Additionally, the head, body and limb SARs of radio equipment have been published on all of Bouygues Telecom's distribution channels and are included in its advertisements featuring radio equipment. Bouygues Telecom has changed its trade practices for marketing handsets so that each mobile phone that is distributed meets the new European Radio Equipment Directive (RED).

Road safety

Colas carries out R&D in several areas to meet road safety challenges, focusing on:

- producing a range of state-of-the-art road surfaces that provide better tyre grip (textured and/or draining products to limit skidding in rainy weather);
- improving visibility (work on road markings in cold or wet weather and at night);
- manufacturing road safety equipment (by Aximum, its road safety and signalling subsidiary).

As part of its "Safer@Work" research project, Colas and Volvo Construction Equipment are partnering to create a system which detects people in the vicinity of plant. Artificial intelligence is used to identify the presence of human beings. The system incorporates various kinds of warnings (audible, visual on-screen alerts in the form of radar or video images, and haptic[a]) both for the operator and for people nearby (audible and visual). Its aim is

(a) Relating to the sense of touch, tactile perception.

to counter the major risk of collisions between plant and pedestrians. Tests will be carried out in 2021, with production scheduled to begin in late 2021 or early 2022.

An increasing number of vehicles are set to be fitted with on-board data collection devices in the future, within the limitations of each country's laws and regulations (e.g. CNIL in France and GDPR in the EU). Positive results, such as a significant reduction in speeds, have already been obtained at Colas Rail Ltd (UK) following data-supported discussions with drivers about the risks of speeding. Colas has set a cross-subsidiary target to reduce the overall accident rate. This benefits employees, their families (through the sharing of best practice) and road users as a whole.

Anais, for preventive management of a road network

Better road safety through the use of data is the underlying principle of Anais[a], a solution developed by Mobility by Colas in partnership with Michelin Driving Data Intelligence. By analysing data provided by volunteer drivers, the system contributes to road safety by identifying dangerous areas on the road network.

A box containing a large range of on-board sensors is used to track how vehicles behave on the road, with the data being fed into the Anais database. The data are geolocalised, anonymised and cross-referenced with other criteria such as weather, vegetation and signalling. The aggregated information is then analysed to identify potential hazard areas, for example where road surfaces are worn or where there are potholes, or where there is a risk of skidding in bad weather. Each box measures deviations in vehicle trajectory, longer braking distances than normal and instances of emergency braking. All this information is cross-referenced and contextualised by Anais. The road network manager receives notifications so that maintenance can be targeted to the stretches requiring attention. These recommendations lead to improved infrastructure, lowering the risk of accidents through the installation of heavy-duty skid resistant surfacing, illuminated road signs, rumble strips and so forth.

In February 2019, Anais was awarded the 2019 Road Safety Innovation Trophy, in the Emergency interventions and road space development category. It has been operational since May 2019 in France's Eure-et-Loir administrative department, the first local authority to adopt it.

Meanwhile, as part of the Dijon smart city project, Bouygues Energies & Services has developed a road-traffic regulation system, based on an instant warning system which enables the relevant municipal services to take effective action.

3.4.2.2 Product and service usage quality

The Bouygues group's aim is for quality and user comfort to be the distinguishing features of its products and services.

Better urban living

The eco-neighbourhoods built by Bouygues Construction and developed by Bouygues Immobilier represent a huge stride forward in improving residents' quality of life, via the provision of local services, soft mobility, digital services and urban biodiversity, for example.

Bouygues Immobilier's "co-living[b]" solutions facilitate access to housing for young professionals aged between 25 and 40 and offers living spaces adapted to current needs (variety of communal areas, flexible contract length, choice of services). Wojo's "co-working" initiative offers a new way of working. It provides places where people can work in comfort and a range of sometimes mould-breaking solutions to the problem of how to do so efficiently. Bouygues Immobilier now intends to incorporate this approach into the design of major corporate headquarters in response to rapidly changing demand patterns. Wojo currently operates 12 sites, in France and Spain.

(a) A French acronym for Acquire, Digitise, Analyse, Inform and Make Safe.
(b) Dwellings with private areas and areas shared with other residents, combined with services such as a laundry.

Ginko, an eco-neighbourhood that combines environmental protection with an exceptional living environment

Ginko, in Bordeaux, is one of the flagship projects of Bouygues Immobilier's UrbanEra programme, which seeks to help local authorities develop sustainable neighbourhoods for the cities of the future:

- Services: communal gardens co-managed by residents have been created to help people become more involved with their community. Co-creation workshops attended by residents have enabled new services and activities to be set up (neighbourhood app, co-working space, café, etc.).
- Energy: thanks to its wood-fired biomass heating system, Ginko is the first eco-neighbourhood in France to have 80% of its heating provided by local, renewable energy.
- Urban services and mobility: 50% of the road space is reserved for soft mobility and there are parking spaces for 300 bicycles. Ginko is served by three tram stops less than 300 metres from homes and offices.
- Biodiversity and urban nature: to protect the ecosystem, 150 trees have been retained and over 1,300 trees planted. Roof gardens combine energy efficiency with urban biodiversity. A 4.5-hectare park has been landscaped for local residents to enjoy. Finally, 40% of the neighbourhood's ground surface is permeable, thus allowing rainwater to seep into the water table.
- A sustainable, responsible neighbourhood: efforts to make occupants more aware of energy-saving measures (introductory handbook and involvement of the Unis-Cité and Médiaterre non-profits), diversity of residents (owner-occupiers, social housing and affordable housing).
- Water and waste management: an efficient water management system has been set up, which includes recovering rainwater from roads and buildings. Three canals running into the lake help with urban cooling.

Losinger, a Bouygues Construction subsidiary in Switzerland, has developed a method of neighbourhood design known as MODDa, in conjunction with the School of Engineering and Architecture Fribourg (HEIA-FR). This project takes account of the preferences of each population category as regards habitat and environment. After being developed and tested in five neighbourhoods, it is now in general use by Losinger Marazzi in Western Switzerland. Following the success of the Swiss project, this approach was introduced to France under the name "Mixcity" in 2017. It was initially applied in the northern and southern France.

Mixcity seeks to define strata in ways other than socio-professional categories (qualitative and quantitative) and to identify the preferences of each social class as regards accommodation and the neighbourhood (amenities, interaction with neighbours, presence or absence of nature, level of enthusiasm for technology, security), and to incorporate these into the design of the neighbourhood (urban morphology, public spaces, architectural elements). In 2019, the approach was used for three neighbourhood projects: Les Fabriques in Marseille; La Chocolaterie in Noisiel (near Paris) and La Distillerie in Villeneuve-d'Ascq (northern France). These projects continued to receive support in 2020.

Bouygues Construction and Bouygues Immobilier both offer connected services to their residential customers.

- Bouygues Immobilier's Flexom service, launched in 2016, can be used to manage household features such as lighting, shutters or heating, either from inside the apartment or remotely, using a smartphone or tablet.
- Bouygues Construction's "Wizom Connected" offer can be used to manage housing units on the scale of an entire building. It has already been fitted to several residential properties in the Paris region, including a social housing development. In April 2018, Bouygues Construction unveiled its adaptable housing offer Wizom for Life, which provides support to occupants at every stage of their lives. The effectiveness of the Wizom for Life offer has been tested and validated on several developments such as Azaïs in Sanguinet (south-west France), Résidences Vertes in Pulnoy (north-east France) and Ivry Confluences in Ivry-sur-Seine (Paris region).

Protecting young viewers

Lastly, the Bouygues group's media and telecoms businesses strive to shield younger viewers from the risks arising from television and the web. Since TF1 introduced its youth programming slot, all purchased series aimed at young people are viewed by the creative teams and/or a child psychologist. If the psychologist considers images unsuitable for children, this person will suggest cuts, or will occasionally judge episodes to be unacceptable for broadcasting. Bouygues Telecom operates a proactive policy to shield children and teenagers from inappropriate web content.

- In February 2019, Bouygues Telecom and its ad agency BETC Paris won the Top/Com Grand Prix 2019 (Campaign section) for "*Les bonnes pratiques du numérique, on en fait une affaire de famille*" ("Good digital practice is a family affair"), a campaign that ran in September 2018. After publishing two papers on French digital technology usage (produced by the market research body Institut CSA), Bouygues Telecom launched a media campaign and distributed a guide to digital best practices for children and their parents, which was handed out in its stores.
- In 2020, Bouygues Telecom offered useful new content to parents as part of its ongoing efforts to assist parents and protect children in their digital lives. A document entitled "*Enfants et usages du digital : on vous accompagne*" (Children and digital use: we're here to help you) is available on the Bouygues Telecom website. It offers practical advice to help combat digital risks in areas such as social networks and cyber-bullying and gives tips on the reasonable use of devices.

3.4.2.3 Accessibility of products and services

The Bouygues group aims to make its products and services widely accessible, especially those of its media and telecoms businesses.

(a) Methods and tools for the sustainable development of neighbourhoods.

To help narrow the digital divide, the French government and mobile phone operators, including Bouygues Telecom, in January 2018 signed an agreement called the "New Deal for Mobile", which aims to speed up roll-out of 4G in areas where network coverage is poor, focusing on so-called not-spots. This requires operators to equip 75% of their existing mobile sites in areas with inadequate mobile coverage – especially not-spots – with 4G by 31 December 2020. The roll-out of 4G is all the more important because the need for strong connectivity for everyone, in all parts of the country, was highlighted during the lockdown. Bouygues Telecom reached this objective ahead of schedule, on 5 November 2020. Despite the difficulties caused by the pandemic, when the roll-out was slowed down by months of restrictions, Bouygues Telecom's network teams were able to bring 4G to rural areas. Emergency generators were used on a temporary basis so that certain telecoms sites could be brought into service as rapidly as possible. Residents newly covered by 4G were therefore able to make use of the service straight away and thus keep in touch with family and friends. This outcome underlines the fact that Bouygues Telecom, the number-one operator in rural areas since 2018, is committed to serving the whole country. It now offers its high-quality, powerful 4G network to more than 99% of the population in mainland France. Nationally, Bouygues Telecom came second for the quality of its network in cities, along transport routes and at tourist sites.

To study novel uses of smart technology, the Bouygues group has created a "5G accelerator", which houses under one roof all its projects relating to smart mobility, smart city, smart building and smart entertainment – fields in which it is extremely active. Bouygues Telecom ran the first real-life 5G tests in Bordeaux in July 2018 and in Lyon in January 2019. It is continuing to expand the fifth generation of mobile technology by regularly rolling out new 5G sites, thanks to the operating licences issued by Arcep[a]. In October 2020 Bouygues Telecom acquired a 70MHz block of 3.5GHz spectrum that will be used to roll out 5G, thus doubling its portfolio of frequencies. 5G will initially help to support the strong growth in usage, and then facilitate the creation of a whole raft of new services that will benefit both households and businesses.

In 2019 Bouygues Telecom launched its Keep Connected service, which guarantees Bbox customers an internet connection at all times, right from the start of their contract. New customers are provided with a 4G dongle in the shop, enabling them to connect all their devices to Wi-Fi immediately.

Furthermore, in June the Paris Transport authority (RATP), Île-de-France Mobilités and the four mobile phone operators in France announced that
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100% of the metro and suburban rail networks are now covered by very-high-speed mobile services. Achieving 4G coverage in over 300 underground stations and tunnels involved considerable work, much of which took place at night. In total, 300 kilometres of cable, 280 wiring cabinets and 321 telecoms sites (shared between the operators) were installed in spaces that could be cramped and over a century old.

Since 2005, Bouygues Telecom has been working to help the disabled access electronic communications services in a number of ways:

- by offering information and invoices in Braille or large print;
- by making customer services accessible to people with total or partial hearing loss;
- by making its telephony services and interpersonal communications accessible for people with total or partial hearing loss, impaired sight or aphasia, since 2018. The mobile app Rogervoice, a Bouygues Telecom partner, enables people who are deaf, hard of hearing or aphasic to use the telephone by relaying their calls. Bouygues Telecom credits such customers with one hour of communication per month. During lockdown, the number of hours of communication was doubled to enable them to stay in touch with family, friends and healthcare in these unprecedented times;
- by engaging with non-profits representing persons with disabilities in order to achieve a better understanding of their expectations and take account of their needs when designing new products and services. The B.tv application, which provides access to around one hundred TV channels, and the new Bbox menu have been enhanced after holding discussions with the main stakeholder groups and taking their comments and suggestions into account. Improved graphics and screen-readers for these services have made them more ergonomic and easy to use.

TF1 has also signed and implemented the CSA[b] Charter on Subtitling Quality. The TF1 main channel ensures that its programmes are accessible, especially to people with impaired hearing or vision by using subtitling and audio description. The other channels operated by TF1 also exceed the statutory requirements as regards subtitling and the provision of audio description. As regards the accessibility of digital content, the programmes on the group's channels that are broadcast with subtitles or audio description are offered on the MYTF1 catch-up service with the same level of accessibility as that available on the channels directly. Additionally, the introduction of "FACIL'iti" on the websites and on LCI enables internet users to read web pages in a format adapted to their disability based on data they have supplied on the "FACIL'iti" website

3.4.3 Socio-economic impacts worldwide

The purpose of the Bouygues group's activities is to provide solutions that drive progress and support the major changes within society. Its business activities have an impact on regional and local development through the construction and maintenance of road and rail transport infrastructure and buildings as well as through the expansion and operation of a telecommunications network.

3.4.3.1 Revitalising the economy

Developing the means of communication

The roll-out of very-high-speed technology (4G and fibre) to urban environments and more sparsely populated areas is helping local and regional economic development as well as expanding digital services to as many people as possible, including in rural areas.

(a) The French telecoms regulator.
(b) The French broadcasting authority.

Fibre-optic networks add to the appeal of many towns, cities and regions, and this is helping to fuel innovation. The high speeds available and the signal stability are encouraging the boom in e-learnings, working from home and e-health. Bouygues Telecom has announced ambitious plans to invest in fibre to meet the rising demand from households for fixed very-high-speed broadband. The roll-out of the fibre-optic network picked up speed in 2020. Bouygues Telecom's objectives were accordingly revised upwards, from 22 million to 27 million premises marketed by 2022. Bouygues Telecom had nearly 17.7 million FTTH[a] premises marketed at the end of 2020, up four million year-on-year. As well as laying fibre in urban areas, Bouygues Telecom distributes its services on Public Initiative Networks (PINs). Agreements have been signed with the PINs of Axione, Covage, Altitude Infrastructure, TDF, Orange and SFR.

Helping French SMEs reach out

Additionally, TF1 Pub is offering new entrants a product called “First”. This enables French SMEs to advertise on preferential terms. In 2021, TF1 Pub is launching a targeted television advertising service which will offer new opportunities to French SMEs.

3.4.3.2 Housing people

Helping provide access to housing and urban services

With its diverse offers, Bouygues endeavours to meet the needs of first-time buyers and social housing occupants. Bouygues Immobilier markets a portion of its developments (31% of block reservations in 2020) to social landlords. It also develops housing adapted to senior citizens (e.g. Les Jardins d’Arcadie). Additionally, the eco-neighbourhoods developed by Bouygues seek to factor in social diversity and access to public amenities.

Fighting fuel poverty

Bouygues Construction’s programme provides energy renovation for social housing, without the need to decant the occupants, and helps social landlords reduce fuel poverty among low-income households. The company has signed the “EnergieSprong” charter, the purpose of which is to support the mass roll-out of energy renovations in social housing. This Europe-wide initiative is based on a high-grade level of specifications: zero-energy renovation[b] guaranteed over 30 years; one-week renovations without decanting residents; cost overruns funded by the resale of renewable energy and energy cost reductions; and a focus on occupant satisfaction. Two pilot projects have been implemented (in Hem and in Longueau, both in northern France), the first of which was handed over in summer 2019.

The Socially Responsible Housing programme, which arose from an innovation partnership between the action tank “Entreprise et Pauvreté” and Bouygues Bâtiment Île-de-France Habitat Social, is committed to building affordable housing for low-income households and those which do not qualify for social housing in their local area. A project in Stains, near Paris, consists of two buildings containing 59 high-quality apartments offered at rents that are 20% lower than for a conventional programme, with handover scheduled for the third quarter of 2021.

3.4.3.3 Employing local people

The presence of the Group’s activities in a given place helps to develop and sustain employment. Its business segments, whether in France or elsewhere, use local labour as a priority and encourage the development of local subcontractors. Colas has a positive impact on employment and regional development where it operates, through its workforce of 54,651 employees worldwide and network of long-standing local units. As customer proximity is a priority, jobs cannot be relocated abroad.

France

The Group’s companies span all of France (59% of sales and 66,117 employees). As such, the Group operates at the heart of regional economies and is a driving force for local employment.

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

In 2017, Bouygues Construction set out an ambitious policy for employment and occupational integration. This takes a more qualitative approach, especially as regards initiatives to help job-seekers and secondary school students in priority education networks.

Bouygues Construction is continuing its partnership with Institut de l’Engagement, of which it is a founding partner. Institut de l’Engagement helps young people to pursue rewarding and often unconventional career paths and become responsible citizens as they achieve their career goals: returning to study, seeking employment, setting up a business or partnership, etc. A jury selects and mentors the candidates. They then benefit from workshops and conferences on a variety of topics, including diversity and equal opportunities. Employees of Bouygues Construction may serve on juries and participate in workshops and conferences. Colas has signed local partnership agreements with GEIQs[c] with the aim of boosting the employment of people who are having difficulty entering the jobs market or returning to work. The GEIQs recruit people from the target groups and then place them with member businesses, arranging a mixture of theory and hands-on work experience. Furthermore, some entities in mainland France have increased their involvement in the Hope[d] project, which aims to address the specific difficulties faced by refugees upon reaching France. Each of them is given lessons in French, training in worksite health & safety and is offered a placement to see the company at work.

Bouygues Immobilier is a founding member and trustee of the Hauts-de-Seine Second Chance School (E2C), which assists young adults who are struggling to enter the jobs market. The Second Chance School offers places to young people between the ages of 19 and 25 who have no qualifications and do not meet the criteria for gaining stable employment, but who wish to gain a foothold on the career ladder.

(a) Fibre-To-The-Home.
(b) Thermal renovation aiming for a passive energy score.
(c) French national committee for coordinating and evaluating groups of employers that promote occupational integration and vocational training.
(d) “Hébergement, Orientation, Parcours vers l’Emploi”: a project offering accommodation, guidance and pathways to employment.

Finally, the initiatives of the TF1 corporate foundation focus on diversity and helping young people find employment. Each year it uses a competitive process to recruit young people between the ages of 18 and 30 from disadvantaged areas. Additionally, the foundation each year organises an inter-company internship scheme aimed at 14/15-year-olds. Although these internships were delivered on-line in 2020 owing to the pandemic, they reached 660 students in the year 2019/2020, culminating in a contest to help them gain practice in presenting the oral placement report.

TF1's patronage initiatives placed particular emphasis on occupational integration, working with organisations such as Sport dans la Ville – a major partner which helps young people from disadvantaged urban areas. This partnership covers the mentoring of young people by executives from TF1, work experience for 14/15-year-old pupils and financial support for "L dans la Ville", a sub-programme that promotes the occupational integration of girls.

Bouygues Construction indicators

Indicator	Scope (activity or region)	Coverage:	2020	2019	Remarks
Number of hours devoted to occupational integration and the corresponding FTE[a] equivalent (France)	France	45.3% of Bouygues Construction's consolidated sales	1,366,562	1,078,625	Since launching official programmes to support employment and occupational integration in 2017, Bouygues Construction has continued to demonstrate its strong commitment in these areas. It went above and beyond its contractual obligations in 2020, implementing specific measures across all its locations.
Percentage of expenditure favouring local companies	Global	96% of Bouygues Construction's consolidated sales	90%	90%	This indicator was stable at a high level. Local purchasing equates to a purchase within the country.

(a) Full-time equivalent.

International

The Group endeavours to source site workers and supervisory employees locally, which strengthens its position in terms of direct and indirect employment, fosters the transfer of expertise and supports local communities.

Since 2012, the subsidiaries of Colas Canada have been taking steps to ensure that the teams working on construction sites located in the ancestral lands of the First Nations[a] include workers who are members of those peoples. A nationwide approach is currently being drawn up in order to define a more comprehensive strategy. For example, this may include setting up partnerships on common themes, establishing training programmes (literacy, efforts to combat addiction, etc.) and prioritising the hiring of indigenous populations.

AW Edwards, Bouygues Bâtiment International's subsidiary in Australia, has for the past five years implemented a series of specific measures (apprenticeship programme, support from mentors who are themselves Aboriginal Australians) to integrate indigenous Australians and recognise their culture in the day-to-day life of the company.

3.4.3.4 Helping build harmonious communities

TF1 wants all its TV channels and websites to reflect the full range of diversity seen in society and avoid stereotypes. Quantified pledges are disclosed to the industry regulator annually. Furthermore, a memo is sent out every year to producers of news-related programmes, game shows, entertainment and reality TV shows at TF1's main TV channel to increase awareness about diversity in the shows they produce.

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

3.4.4.1 Dialogue with stakeholders

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

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

In 2020, Bouygues published its third Integrated Report[b] as a summary of the Group's vision, strategy (and that of its business segments) and corporate culture, showing how it creates value for its stakeholders and presenting its four key pledges.

Each business segment maps out its respective stakeholders and liaises with them regularly on their own specific issues to identify areas for improvement and the associated relevant actions.

Listening to customers and fulfilling their requirements

Ever since the Bouygues group was founded, being attentive to customers and ensuring their satisfaction have been regarded as key success factors. Measuring customer satisfaction is a basic requirement of ISO 9001 (quality management system). Bouygues Construction and Bouygues Immobilier

(a) Indigenous Canadians.
(b) bouygues.com (home page, Publications).

encourage customer surveys to be carried out at the end of each commercial phase.

Worksite customers take pride of place in Bouygues Construction's TopSite label, which can only be granted with their approval.

Bouygues Construction makes it a priority to listen to the diverse expectations of all residents and place them at the heart of its projects. They are involved at all stages – before, during and after handover. A range of different solutions is offered to encourage people to work together, with special emphasis on reinforcing bonds (meetings, dedicated apps, co-designing projects with the residents). This is exactly what Wizom Réhabilitation has to offer. The latter has three main areas of focus: build harmonious communities, upgrading property in a sustainable way and making urban environments. more attractive.

For example, Colas Bâtiment gives out satisfaction surveys to residents during maintained occupancy rehabilitation projects. These aim to measure satisfaction according to four criteria: information before the work commenced, the quality of the work, the clean-up afterwards and relations with the company. The survey results reveal that the “Relations with the company” criterion achieves the highest satisfaction rating.

The many awards Bouygues Telecom received in 2020 attest to its policy to innovate and thus enhance customer experience and satisfaction:

- Bouygues Telecom won the 2020 Customer Excellence award presented by l’Académie du Service, Ipsos and Trusteam Finance. In a competitive market with ever more stringent customer expectations, Bouygues Telecom set up a Customer and Employee Experience department. This designs, optimises and monitors the purchasing process and the tools staff can use for this purpose, with a particular focus on quality, seamlessness and user-friendliness.
- In February 2020 Bouygues Telecom was named “Best Fixed and Mobile Operator” in a survey by French magazine *60 millions de consommateurs,* which is published by Institut national de la consommation (INC)
- In September, *Relation Client* magazine awarded Bouygues Telecom a "CX Gold Award 2020" in the “Best Data & Customisation Strategy” category. This award was partly for “Mon assistant Bbox”, a service offered to all Bouygues Telecom customers, enabling them to manage or troubleshoot the router from home without outside help.

“Be Progress”, a tool designed in July 2018 to optimise feedback from customer advisers and sales staff in direct contact with customers, helps manage the customer experience more effectively. It simplifies the process so that complaints and errors affecting the customer experience can be sent and resolved more easily as part of a team effort.

The Customer Committee, which was renewed in 2019 and is composed of 20 customers of Bouygues Telecom selected according to a variety of criteria, has given customers a say in the continuous improvement of products and services since its launch in 2015.

At TF1, the news mediator receives opinions, queries and any complaints concerning news broadcasts on TF1 and LCI, via the Viewer Relations section on the LCI website. The news mediator provides explanations about how television news is produced and the rules by which it must abide. This person also notifies the newsrooms whenever several similar opinions are voiced by viewers.

Constant dialogue

External social media are an excellent channel for exchanging ideas with stakeholders. Besides TF1, several of the Bouygues group’s entities run blogs discussing current and future trends on which users can comment: *BouyguesDD* (www.bouyguesdd.com), *L’innovation partagée* (www.bouygues-construction.com/blog), the forward-thinking blog *Demain la Ville* (www.demainlaville.com) and *Le Mag* (blog.bouyguestelecom.fr).

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

At Bouygues Immobilier, the quality-enhancement strategy is a constant way of exchange with customers, albeit indirectly. Satisfaction surveys carried out at the time of purchase and handover, together with the results of the Net Promoter Score[a], provide information about customer expectations and ensure the continuous improvement of services and construction quality.

With the assistance of its customer advisers, Bouygues Telecom develops and monitors customers’ digital experience on its own forums (Customer Area app) as well as on social media such as Facebook and Twitter. Bouygues Telecom supports all its customers in their digital lives through its help forum. Close, high-quality relations with its audience is a priority for TF1, which keeps permanently in touch with viewers through social media and the “TF1&Vous” page. Audiences can interact about shows and presenters at any time. TF1&Vous also won a prize in the “Best customer relations strategy” category at the “Grand Prix Stratégies de l’Innovation Média 2020”, which was judged by media professionals, advertising sales managers, advertisers and ad agencies.

During the pandemic, LCI.fr worked with Doctissimo to set up a chatbot[b], with the aim of responding in real time to all the questions put to it by the French population regarding the crisis, and also combating fake news. The TF1 group's virtual assistant, available round the clock on the LCI.fr website, was designed by the editorial teams at TF1, with expert assistance from Dr Gérald Kierzek, an A&E doctor who is also a health expert for TF1 and LCI, as well as from the teams at doctissimo.fr and the French start-up Clustaar.

In partnership with Sciences Po and Bluenove and with the support of Cognito, TF1 launched a citizens’ consultation in April 2020 to explore the consequences of the pandemic, using an on-line questionnaire covering the following three topics:

- living with social distancing (teleworking, distance learning, telemedicine, e-commerce, the digital divide, etc.);
- our freedoms (health and freedom, safety and freedom, etc.);
- the world of tomorrow (the economy, the social fabric, etc.).

(a) Percentage of customers likely to recommend the brand, product or service (promoters), minus the percentage of dissatisfied customers (detractors)
(b) Software programme that simulates the way a human would behave as a conversational partner and can answer questions or trigger the execution of tasks.

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The responses received are taken into account by the editorial teams at TF1 and LCI, and will form the basis for reports and discussions with public authorities.

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

Bringing people closer together in residential projects

Bouygues Immobilier is rethinking the concept of housing in pursuit of harmonious living. To achieve this goal, its new housing units are designed to respond to the growing need for shared spaces and services (an extra room, terrace, concierge service, delivery and nursery services). Through "Entre Voisins", a social media app which helps neighbours exchange services, Bouygues Immobilier is working to foster friendly, cooperative atmospheres in its apartment buildings.

Relations with residents are forged in the early stages of projects, as demonstrated by an initiative that took place in summer 2019. Five months before the application for the building permit was filed, drop-in events were held in order to present the Clos Saint-François project in Saint-Philbert-de-Grand-Lieu, western France. During the afternoon, around 50 local residents had an opportunity to meet the Bouygues Immobilier project team. An exhibition informed them about the history of the site, which once housed a religious community and is now due to have around a hundred dwellings built on it. A similar event was arranged to present the Sourdille project in Nantes, on the site of a former hospital built in 1930, once the design stage had been completed. The site is temporarily being used to house 53 refugees between September 2020 and March 2021.

Consultation exercises and local dialogue

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

Bouygues Immobilier is developing consultation and co-design methods for its property developments. One example is Sollys, a collaborative housing project in Lyon Confluence. Ten future client-families are completing the co-design workshops for their homes. The co-design methodology is based on a combined working group bringing together experts and users to design the project together. To help produce a consensus, design thinking[a] methods are used. Co-design brings together buyers before the handover of a housing development so that they can work together, making this a method conducive to the creation of more shared spaces.

A consultation consisting of three participatory workshops was held with the residents of the municipality of Claix, not far from Grenoble. The aim was to co-construct a Bouygues Immobilier project. Some 40 participants were able to make suggestions by moving foam pieces around on a board representing the surface area due to be developed at the site. The next two workshops responded to the concerns previously expressed (traffic, noise pollution, loss of property value) and refined the ground plan to achieve the right balance between urbanisation and green spaces. This innovative procedure took account of what the future neighbours would need in order to co-exist happily with the new development (preserving views, privacy, etc.), and helped make the project more acceptable to local residents and the municipality.

Shared concierge services are another useful way of forging ties within neighbourhoods. Services catering for various types of users (residents, employees or visitors) are available seven days a week, at all times of the day. Accessibility, ease of use and proximity are the watchwords. One example of a successful concierge service in action is in the Ginko eco-neighbourhood. It was created along with a café bar and a coworking space, providing residents with places to meet for both work and leisure.

Acceptance of production sites by local residents is a social responsibility issue of paramount importance to Colas worldwide. Its activities can affect the environment and/or people's health in the surrounding areas in various ways (odours, dust, traffic, noise, other forms of pollution). Colas has established action plans focused on two areas:

- **exemplary production sites** – each site must implement progress measures that go beyond mere compliance with administrative or regulatory requirements. A system for registering complaints is set up at each site so that they can be followed up (response and resolution);
- **regular dialogue with local residents and authorities** – maintaining an open dialogue with local communities makes it possible to better understand their expectations, explain the reality and constraints of production sites, and promote mutual understanding to prevent crisis situations.

A Local Dialogue indicator has been added to the Environment checklist of previous actions in order to assess the extent of local dialogue and improve public acceptance of Colas' activities. In 2020, these different local dialogue actions had been implemented at 43% (in terms of sales before inter-company eliminations) of Colas' materials production sites.

(a) A creative design process.

Colas indicator

	Scope (activity or region)	Coverage	2020	2019	Remarks
Materials production sites working to promote dialogue with local communities[a] as a % of sales before inter-company eliminations	Global	100% of the sales before inter-company eliminations of the materials production sites	43%	44%	The proportion (in terms of sales before inter-company eliminations) of materials production sites working to promote dialogue with local communities declined slightly (down 0.5 points) in 2020 compared with 2019. Although this proportion is stable throughout most of the Colas group, a downward trend is observable in the US (down 6 points) and Oceania (down 26 points).

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

Within the scope of their operations, Bouygues Construction and Bouygues Immobilier also implement initiatives promoting dialogue with local residents. On selected property-related and urban development projects, they listen to local people and stakeholders using methods such as interviews, digital co-creation platforms and vox pops with passers-by.

The "CityPlay" game, which was launched by Bouygues Construction several years ago via entertaining methods such as 'serious games', is evolving into a co-construction approach used by Bouygues Construction for urban planning. The aim is to design and develop more resilient, more inclusive and smarter cities. With CityPlay, Bouygues Construction offers a range of entertaining solutions, both virtual and actual, to transform our cities while turning citizens into designers and users into active participants, and encouraging residents to get involved. This is achieved in various ways:

- forward-looking workshops, to contribute to a local authority's deliberations;
- serious games, to develop a project jointly with its end users;
- modelling of unique and hybrid spaces, to create a future community of users;
- intrapreneurship: an incubator for citizen-centred projects, to promote the emergence of ultra-local initiatives.

By leveraging a network of partners (institutions, businesses, universities and associations), these solutions can help cities turn their transformation projects into reality.

The CityPlay game has already had an impact on 37 projects, including La Maillerie in Lille (urban planning), Les Fabriques in Marseille (creation of new activities within a 'makerspace'), Share in Tours ('serious game'), and the Smart City projects of Bouygues Energies & Services.

Églantine, a sustainable eco-neighbourhood designed for and by its future residents

Églantine, in Switzerland, is a sustainable, environmentally-friendly urban district developed by Losinger Marazzi, a subsidiary of Bouygues Construction, and the Municipality of Morges. By summer 2022 it will provide more than 400 apartments in thirteen buildings located in the northern part of the municipality. This project is noteworthy because of the innovative participatory approach adopted, which has helped garner the support of most of the town's residents.

In order to assist with the partial land use plan for the future neighbourhood, a participatory approach initiated in late 2014 resulted in the creation of a discussion forum called "Morges Dialogue". This forum helped the residents of Morges form a positive view of sustainable urban development and gave them an opportunity to express their ideas about how the site will look in future. Brainstorming workshops, creative seminars, information meetings and site visits were held to enable local residents and community groups to state their views on a number of topics such as soft mobility, public spaces, the environment and harmonious living. The proposals put forward during these workshops were combined to form a shared vision for the neighbourhood and create a genuine sense of community endeavour. This participatory approach has been temporarily suspended during the works phase but will resume once the development comes enters its operational phase, which is expected to happen in spring 2021.

Bouygues Telecom is committed to a long-term process of dialogue and consultation with municipal authorities. As a signatory to the Operator-Municipality Guidelines (GROC) since 2006, and a partner in several associations of elected representatives, Bouygues Telecom and its teams work closely with local authorities across the country to develop innovative opportunities for individuals, businesses and professionals.

In accordance with the decrees enacting the Abeille law, Bouygues Telecom has since 2017 followed the principle of continuous transparency by sending dossiers containing full information about its roll-out plans, and any alterations to its existing sites, to the relevant municipalities, in accordance with the guidelines laid down by the government and by ANFR[a].

Lastly, Bouygues Telecom signed up to the New Deal programme because it is particularly aware of the issues surrounding digital development in less densely populated areas. This agreement was concluded between the government and operators in 2018 and commits the latter to a certain number of actions to improve mobile coverage throughout the country, particularly in areas that are poorly served.

(a) France's National Frequencies Agency.

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3.4.4.2 Patronage and partnerships

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

The three main areas of patronage policy at Bouygues SA are community and social projects, education, and healthcare. The Group's parent company helps and supports all kinds of initiatives, small-scale or otherwise. It gives priority to long-term actions and focuses mainly on projects sponsored by Group employees.

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

Since 2005, the Francis Bouygues Foundation has been providing high-achiever study grants to motivated school leavers from low-income backgrounds. These young students are always supported by a mentor, who may be a current or retired Bouygues group employee or a former Foundation grant-holder now pursuing their career after graduating. As well as providing advice and moral support, mentors can give their mentees help with finding an internship. Its fifteenth year in existence marked a turning point in the Foundation's history. In 2020, the Foundation accepted a total of 100 grant-holders. Since 2005, it has supported 989 students.

Group spending on patronage and sponsorship

€ '000	The Francis Bouygues Foundation	Bouygues SA	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2020 Group total	2019 Group total
Cash spending on patronage and sponsorship	1,426	1,334	4,555	1,471	5,239	3,644	840	15,749	21,098
Spending in kind on patronage and sponsorship					392	136,171	135	136,698	42,707
Total	**1,426**	**1,334**	**4,555**	**1,471**	**5,631**	**139,815**	**975**	**152,447**	**63,805**

In 2020, a year of restrictions caused by the pandemic, Bouygues Construction reduced its patronage and sponsorship initiatives. However, compared with 2019, total spending on patronage and sponsorship fell by only 5%, thanks to more comprehensive reporting and the inclusion of data from recently acquired entities.

In 2020, economic conditions made it necessary to reduce the Bouygues Immobilier Corporate Foundation's provisions to €332,551 (i.e. down 43% on 2019). The Foundation was able to fund community action initiatives (via the non-profits Voisin Malin and Ticket for Change) and refresh its approach to the theme "Thinking about the City of the Future" using the "Demain la ville" blog. It thereby sought to fulfil its objective of using all types of media to inform the public and local authorities about environmental and social challenges, after supporting "Demain la ville, le Lab" for 15 years. The patronage and sponsorship initiatives charged to the financial year came to €1.139 million, down slightly on 2019.

At TF1, the steep rise was due to an increase in the free airtime granted for government health warnings and appeals by charities and foundations requesting donations in relation to the pandemic. For the first time, the balance sheet for 2020 takes account of the free airtime and patronage provided by Unify and Newen.

Focusing on skills-patronage programmes and donations in kind

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

Covid-19

In response to the pandemic in 2020, the Bouygues group and its business segments set up community action initiatives and assisted the healthcare sector by providing financial and material support.

At the very beginning of the Covid-19 pandemic, the Bouygues group donated one million European-standard surgical masks to France's health authorities.

Aximum, a Colas subsidiary specialising in traffic safety and management, converted a plant normally used to manufacture road-marking products into a facility for making and distributing hand sanitiser. Its Noyon site, to the north of Paris, began large-scale production in mid-April, after a number of laboratory tests. The team partnered with local suppliers to source bottles and labels printed with information about possible reactions. A total of 40,000 litres of hand sanitiser were manufactured in four weeks, with 200 litres being donated to a local Red Cross branch.

The teams at Bouygues Energies & Services, which look after the technical maintenance of several health facilities in France, were able to respond and reorganise to manage the Covid-19 crisis as it affected medical personnel. This included regularly changing the filters in air-handling units, adapting ventilation systems, reducing the number of staff on site, ensuring the security of the areas where masks and hand sanitiser are stored, and re-routing patients between reception, the helicopter pad on the roof and the department concerned with managing the epidemic, with a lift specially reserved for Covid-19 patients.

Les Jardins d'Arcadie, a joint venture between Bouygues Immobilier and Acapace that specialises in serviced residences for senior citizens, took good care of the health and well-being of its residents and their carers alike.

From mid-March, TF1 made its channels and digital platforms available for public campaigns related to the Covid-19 pandemic. Targeted actions were implemented on a number of fronts:

- responding to the needs of hospitals and nursing homes, from staff to patients/residents and their families, and funding medical equipment;
- medical research on emerging viruses, including coronaviruses;
- assisting deprived or isolated people who are particularly vulnerable during the pandemic;
- managing the consequences of lockdown, such as domestic abuse.

TF1 also adapted its programming, with programmes devoted to charities and foundations that play a key role in each of the above-mentioned sectors. Almost 30 charities involved in dealing with the pandemic were supported (free broadcasting of public information spots and appeals for donations, provided *pro bono* by TF1 for certain products).

In 2020 Unify entered into a partnership with La Maison des Femmes, an organisation in Saint-Denis (Paris region) which provides a refuge for female victims of violence in a unique care centre. This partnership, which involves Aufeminin, My Little Paris and Doctissimo, consists of financial support, a major prevention and awareness campaign against violence towards women, and an appeal for donations to support the work of La Maison des Femmes.

Bouygues Telecom has also supported the French population in various ways during the pandemic:

- an appeal for donations by text message, on behalf of the French Red Cross. Customers responded quickly: more than €200,000 was collected in 24 hours. A further €50,000 was donated by the Bouygues Telecom Corporate Foundation;
- support for two projects run by the Hôpitaux de Paris–Hôpitaux de France Foundation in nursing homes and hospitals: delivering high-quality pre-prepared meals to healthcare staff; and donating touchscreen tablets to 340 frail and isolated people to enable them to stay in contact with their families. the Bouygues Telecom Corporate Foundation donated €100,000 for this purpose;
- a gift of 600 4G data modems fitted with SIM cards to provide an immediate internet connection in shelters and hostels run by the Île-de-France “Samu social” (a humanitarian non-profit organisation that helps the homeless and others in distress). The modems are for the use of individuals and families who are having to self-isolate in emergency accommodation. They are thus able to stay in contact with their families, entertain themselves and continue to educate their children thanks to the 300,000 GB total data allowance included with the 4G modems provided by Bouygues Telecom.

Other initiatives

In addition, TF1 donates airtime to a wide variety of causes and charitable organisations, including medical research and helping people who are ill or destitute (Les Pièces Jaunes, Les Restos du Cœur, le Sidaction). TF1 also assists by donating game-show winnings, making spots and short programmes about appeals for donations, and boosting the visibility of charitable activities with the help of its well-known journalist presenters.

In 2017, the Bouygues Immobilier Corporate Foundation co-created the "Solidarités Urbaines" Lab in partnership with Ticket for Change. The aim is to support entrepreneurs with projects promoting community action as part of Ticket for Change’s "Parcours Entrepreneur" programme, which provides assistance for six months. Since 2017, a total of 43 projects have been supported, including 11 new ones in the 2020 financial year.

As part of its “Beyond” strategy, Bouygues Bâtiment International has set itself the target of at least one community action project at each construction site. This may consist of either developing a new project or participating in an existing nationwide project. Community action projects have in fact already been set up in the countries where Bouygues Bâtiment International has had a long-standing presence (Cuba, Morocco, UK, Turkmenistan).

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Bouygues Construction indicator

Indicator	Scope (activity or region)	Coverage:	2020	2019	Remarks
Number of partnerships[a] during the year supporting integration, education and healthcare	Global	96% of Bouygues Construction's consolidated sales	280	336	The exceptional events of the past year have had a significant impact on the company’s ability to organise projects and run community initiatives. Bouygues Construction remains committed to boosting the vitality of the areas in which it operates, by forging numerous partnerships with local charities. During the 2020 reporting period, 50% of Bouygues Construction’s operating units forged at least one partnership with a charity in support of education, health or occupational integration, or to respond to emergency situations.

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

Encouraging employee involvement

Several of the Group’s business segments have made arrangements so that employees can take part in community action initiatives during worktime, especially during the Covid-19 crisis.

At Colas, participation in the life of local communities takes place by means of patronage and sponsorship actions covered by the Colas compliance policy.

The total amount of patronage spending (in cash and in kind) rose by almost 4% between 2019 and 2020. These donations were chiefly in the area of community action and humanitarian work, which reflects the company’s active involvement in supporting local populations during the Covid-19 pandemic. Against this backdrop, the total amount of sponsorship spending fell by 35% between 2019 and 2020 (discontinuation of activity, careful budgeting). As in previous years, sponsorship focused on sport.

In 2020, Colas reviewed the positioning of its patronage and sponsorship policy, with the intention of gearing the latter towards priorities that are more in line with its societal commitments and can be shared by all its employees in the 50 countries where it operates.

The Bouygues Telecom Corporate Foundation has over 1,108 volunteers from within the workforce. When they become charity volunteers, employees can spend 14 hours of their worktime each year on patronage initiatives. In addition, the Foundation offers employees and customers an opportunity to propose charities for patronage. As it does every year, in 2020 the Bouygues Telecom Corporate Foundation gave financial support to 27 non-profit projects that make use of digital technology to help the community and the environment, sponsored by employees and customers. Of these, Bouygues Telecom's Customer Committee selected three favourite projects *(Appel*, the French Agroforestry Association, and *Les Doigts qui Rêvent).*

In April 2020, an innovative scheme was set up to help non-profit organisations during lockdown. This involved volunteer activities that were carried out from home. The Bouygues Telecom Foundation's platform was rapidly adapted to provide an on-line service which matched up the needs expressed by the charities with the services offered by employees. The assistance on offer included, for example, keeping in touch with elderly, isolated people or helping non-profits use digital technology. In these ways, 45 employees have helped 15 different charities since April 2020. This digital volunteering programme, which is still ongoing, will continue until such time as the activities can once again be carried out in person.

The partnership between the Bouygues Immobilier Corporate Foundation and Ticket for Change aims to raise employee awareness and engagement, by offering them an opportunity to participate in inspiring events and offer their skills to help with projects run by social entrepreneurs. It is also a means of bringing employees and social entrepreneurs together, thus encouraging the development of innovative projects.

In 2020 Bouygues Bâtiment International published a booklet called *Nos Belles Histoires,* which uses a series of stories, accompanied by plentiful illustrations, to show the types of volunteering carried out by its employees to the benefit of local communities. All these activities (supporting education, helping the most disadvantaged cope with extreme weather events, making the general public aware of environmental topics) illustrate the company's desire to become a responsible corporate citizen in its local communities.

In 2020, TF1 organised a staff engagement week on the theme of social responsibility, which incorporated a number of activities, including:

- highlighting community actions relating to Covid-19, rolled out on air and on digital platforms, in the words of the employees involved;
- a scheme called "*Coup de pouce à vos assos*", which gives financial support to ten non-profits in which employees are involved, the aims of which were publicised on the Group intranet; there was also an on-line presentation ceremony for the employees concerned.

Committed to urban planning and urban environments

Bouygues Travaux Publics has been supporting the first "Sport dans la Ville" centre in Marseille by providing funding and personnel since it opened on 16 October 2019. The centre aims to help young people move from sport into work, by organising sports sessions and occupational-integration programmes.

Bouygues Bâtiment Île-de-France is a founding member of the Palladio Foundation. Set up in 2008 under the aegis of Fondation de France, the Palladio Foundation promotes research, training and the exchange of information in the property development and urban planning sector. Its objective is to respond more effectively to current and future issues connected with building urban environments. In this context, Bouygues Bâtiment France Europe helped draft the ninth edition of the journal of the Proceedings of the Palladio Institute: "*La ville de demain au service des savoirs*".

The Bouygues Immobilier Corporate Foundation, set up in 2009, aims to help make urban environments more people-friendly through forward planning and community action initiatives. In order to strengthen neighbourhood bonds, the Corporate Foundation is a partner of two non-profits with national ambitions: Ticket for Change and Voisin Malin. Via the forward-thinking blog *Demain la Ville,* the Bouygues Immobilier Corporate Foundation showcases future-oriented articles about sustainable cities and urban environments. Through its partnerships and own research, the Bouygues Immobilier Corporate Foundation is in constant dialogue with all types of stakeholders involved in shaping the city of the future.

3.4.4.3 Academic partnerships

The Bouygues group has set up partnerships with the academic world in an effort to meet major environmental and social challenges more effectively. For example, Bouygues participated in the Specialised Master's degree in "Smart Cities Engineering and Management" offered by École des Ponts ParisTech and EIVP. To develop training programmes in sustainable construction techniques, the Group also co-designed the Specialised Master's degree course in "Sustainable housing and Construction" alongside Ensam and ESTP.

Bouygues worked with Centre Michel Serres - HESAM Université to set up a project on how local energy lifestyles will develop by 2030: this looks at usage scenarios in relation to imagined social, political and technological changes.

This year, the Bouygues group launched the "Smart City and the Common Good" chair at HEC Paris. This will increase our understanding of contemporary phenomena such as climate constraints and limited resources, growing social inequality, technological transitions and ethical imperatives, while also supporting those involved in those transformations and, lastly, preparing tomorrow's business leaders and managers to take account of current and future challenges.

In June 2019, Bouygues Telecom and l'École Télécom SudParis, with the assistance of other partners (CNS, Nokia, SNCF Réseau and Spie), created a teaching chair called "The networks of the future for the services of tomorrow". Its aim is to train engineers who are competent and open to change, capable of adapting to a network environment that is constantly evolving, and ready to integrate themselves into all sectors of activity. Bouygues Construction is working on high-potential areas of innovation in conjunction with the universities of Cergy-Pontoise (mobility) and Aachen in Germany (production of a prototype asbestos-removing robot), ETH Zurich and NTU in Singapore (robotics), École Centrale de Lille (the "Construction 4.0" chair, worksite modernisation) and Stanford University in California (BIM).

Several employees of Bouygues Travaux Publics gave courses on lean management at ESTP and participated in a round table held at CentraleSupélec in October 2020 on the industry of the future. Bouygues Bâtiment France Europe organised site open days for academic institutions.

Colas is developing several partnerships in France and abroad. Academic partnerships have been forged, not only with universities and other higher education establishments (Centrale, ESTP, Université Gustave Eiffel, IMT Lille Douai, Université de Nantes, as well as École Nationale Supérieure de Chimie de Montpellier in France, MIT[a] in the United States, and the

(a) Massachusetts Institute of Technology.

Universities of Aston and Birmingham in the UK and Alberta in Canada, etc.) but also with scientific and R&D bodies and companies (Ineris

[a], CEA[b], ChemSud[c], FRB[d], Arkema, Total, Peugeot, Valeo and Safran).

For more on this subject see section 1.1.4 of this document: “A strategy of innovation for the benefit of users”.

During the pandemic, TF1 supported the "Educating The Nation" initiative of the French Ministry of National Education, Youth and Sport. During lockdown, TF1 offered educational programmes to secondary school pupils via its Ushuaïa TV and Histoire TV channels, as well as on MYTF1.

Bouygues Telecom digitised the format of 105 initiatives with its partner higher-education institutions in response to the pandemic. Forums, courses, lectures and virtual visits of the Technopôle site in Meudon-la-Forêt, near Paris, were organised for engineering and business schools and universities.

3.4.5 Partners, suppliers and subcontractors

Bouygues’ overall performance is intrinsically linked to that of its suppliers and subcontractors. In order to be able to offer responsible, state-of-the-art solutions, it is essential to select products and services that are innovative as regards technology, the environment and society. The implementation of a CSR policy for Group purchasing is one of the conditions required for promoting this partnership mindset and developing joint value creation for its customers. Bouygues’ open innovation policy is also evident in its programme to support start-ups in each of its business segments (see section 1.1.4 A strategy of innovation for the benefit of users).

3.4.5.1 Integrating CSR criteria into the purchasing policy

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

In accordance with the duty of vigilance law in France, this year the Group published its fourth vigilance plan for suppliers and subcontractors. This sets out the measures taken by its subsidiaries to prevent and mitigate the main risks identified in the areas of human rights and personal and environmental health & safety, while also detailing how these measures are monitored (see chapter 4, Risks and risk management, section 4.3). This policy embodies the Group’s requirements as defined in the *CSR Charter for Suppliers and Subcontractors*, which is systematically appended to purchasing contracts and subcontracts, and/or included in the T&Cs[e].

During 2020, the Group’s business segments made further progress with responsible purchasing policies. The purchasing departments of the Group’s business segments are key to implementing these policies, using a variety of means:

- an increased focus on evaluating their subcontractors and suppliers;
- careful selection of products and materials for their activity; and
- responsible purchasing behaviour, particularly through placing emphasis on meeting payment deadlines (with specific adjustments to help suppliers during the pandemic).

After updating its purchasing policy in 2019 and setting out responsible purchasing principles and the framework for selecting and assessing suppliers, in 2020 Colas drew up a group-level map of the CSR risks relating to purchasing. This map, which has been distributed to the various Colas entities, is an aid to creating risk maps for each country. Suppliers involved with calls for tenders relating to fixed assets (capex) have to complete a CSR questionnaire. They are specifically requested to highlight the CSR aspects of their proposals. Total cost of ownership (TCO) comparisons include these considerations. Colas expects to finalise the roll-out of a supplier management tool in 2021. This will manage the selection, evaluation and referencing of suppliers and service providers (which should enable the compliance and CSR aspects to be included). Numerous CSR initiatives are being built into a CSR purchasing action plan, which will become one of the CSR guidelines for Colas’ strategy.

Bouygues Construction continued the roll-out of its responsible purchasing policy in 2020. In total, 151 employees in the purchasing department have been trained on the issues relating to this topic. Ten responsible purchasing objectives were set – four compulsory, where relevant, and six optional – at the 2020 annual appraisals for the entire department. An international CSR purchasing committee was set up in 2019 to complement the one that already operates mainly in France. These committees deal with topics such as reducing packaging, social value initiatives (use of micro businesses/SMEs, sheltered workshops and disability-friendly companies) and integrating CSR criteria into the purchasing process. In 2020, Bouygues Construction made even greater efforts in relation to carbon reduction by bringing various purchasing drivers into play: numerous initiatives relating to the circular economy (circular economy purchasing guide, webinar, innovations, etc.), implementing low-carbon purchasing strategies for the sites that generate the most emissions, dialogue with suppliers.

Since 2019, Bouygues Telecom has been drawing up plans to roll out eight responsible purchasing guidelines which the Group has prepared for the business segments to help them make progress on this issue.

(a) The French National Institute for Industrial Environment and Risks.
(b) The French Alternative Energies and Atomic Energy Commission.
(c) European chair for new chemistry for sustainable development.
(d) French Biodiversity Research Foundation.
(e) Purchasing terms and conditions.

It has thus been able to raise awareness amongst all its buyers about the topic. In 2020, Bouygues Telecom commenced a programme to decarbonise its operations as part of the Group Climate strategy. In-house projects were launched throughout the company to find ways of reducing its carbon footprint, a significant proportion of which depends on purchases and investments. Preliminary discussions about this topic have been held with suppliers. At the same time, the purchasing department has been working to define the CSR criteria that are to be included in calls for tenders. The proposals will feed into the process of involving suppliers in the decarbonisation policy defined by Bouygues Telecom. This is set to take off in 2021.

Lastly, for more than ten years TF1 has been committed to promoting the occupational integration of people with disabilities. The signature of the *Manifesto for the occupational integration of people with disabilities* at the end of 2019 gave a boost to the group purchasing department's action plan, excluding programmes: incorporation of social criteria relating to inclusion and disability in all calls for tenders, and, where the type of purchase allows, a social clause may also be implemented and compliance with social responsibility may be defined as a criterion for candidates' admissibility.

Assessment of subcontractors and suppliers

Bouygues Construction, Bouygues Immobilier, TF1 and Bouygues Telecom map CSR risks by purchasing category. These four business segments use external assessment tools to evaluate and monitor the social and environmental performance of their suppliers and subcontractors over the long term. All business segments conduct supplier CSR audits.

Since 2018, for example, Bouygues Construction has commissioned an external company, SGS, to carry out supplier CSR audits for countries and purchasing categories classified as high risk. These audits are eventually expected to achieve 100% coverage. The Acesia platform is also used to evaluate the CSR performance of partner suppliers and allow them to access a progress plan from Afnor, the French standardisation body. A new tool called Constellation is also being rolled out. One of its modules is dedicated to evaluating suppliers and subcontractors in a single database according to six criteria, one of which is CSR. Bouygues Construction launched a quarterly suppliers' newsletter in which to share its aims and experiences. The first issue, sent out to 20,000 external recipients, focused on responsible purchasing.

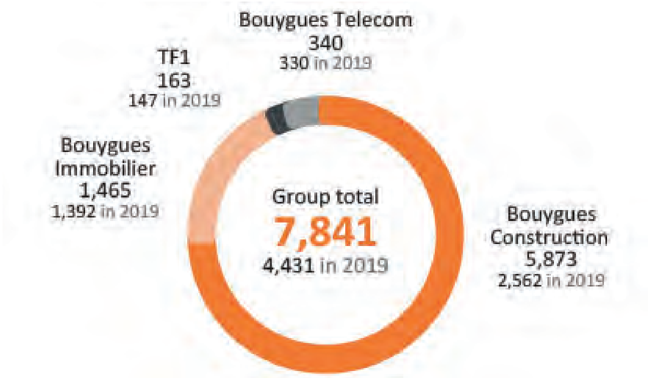
Bouygues Immobilier is evaluating the majority of its suppliers and subcontractors. The company has set itself the target of using EcoVadis to assess all of its suppliers that have signed master service agreements. Small, medium-sized and micro businesses are assessed digitally via the SRM software platform to improve monitoring of their CSR performance. As part of its new "Works Purchasing" policy, Bouygues Immobilier is developing partnerships with the microbusinesses and SMEs that score highest, particularly in terms of sustainable development criteria.

In 2020, Bouygues Telecom rolled out its normal annual schedule of CSR audits conducted by its partner SGS in the factories that manufacture its branded products. It continued using the EcoVadis platform to evaluate the documentation of its eligible suppliers. It also took greater account of CSR scores in calls for tender, following the inclusion of a question about the EcoVadis score in Purchasing's IT system.

Bouygues Telecom seeks to protect itself against the risk of human rights violations in connection with the sourcing of so-called "conflict" minerals that could be used in the manufacture of its core products. It therefore sent letters to its main suppliers of electrical and electronic equipment asking about their policies and actions in relation to the responsible sourcing of minerals, and then analysed the replies. These actions refer to implementing the procedures listed in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To give one example, the Conflict Minerals Reporting Template (CMRT) is used to collect information about the country of origin of the minerals and foundries/refineries used throughout the supplier's supply chain or the use of refineries/foundries that comply with the Responsible Minerals Assurance Process (RMAP) standard. As TF1 firmly believes the strength of its CSR performance is linked to that of its suppliers and subcontractors, it wants to involve its partners with its commitment. A performance assessment of a targeted group of suppliers has to be carried out by an independent third party (EcoVadis), which examines the environmental, social, business ethics and subcontracting aspects. TF1 requires its suppliers to commit to making continuous progress, and encourages those that are identified as at risk (overall score equal to or less than 35/100) to take remedial measures.

Number of CSR assessments carried out on suppliers and/or subcontractors

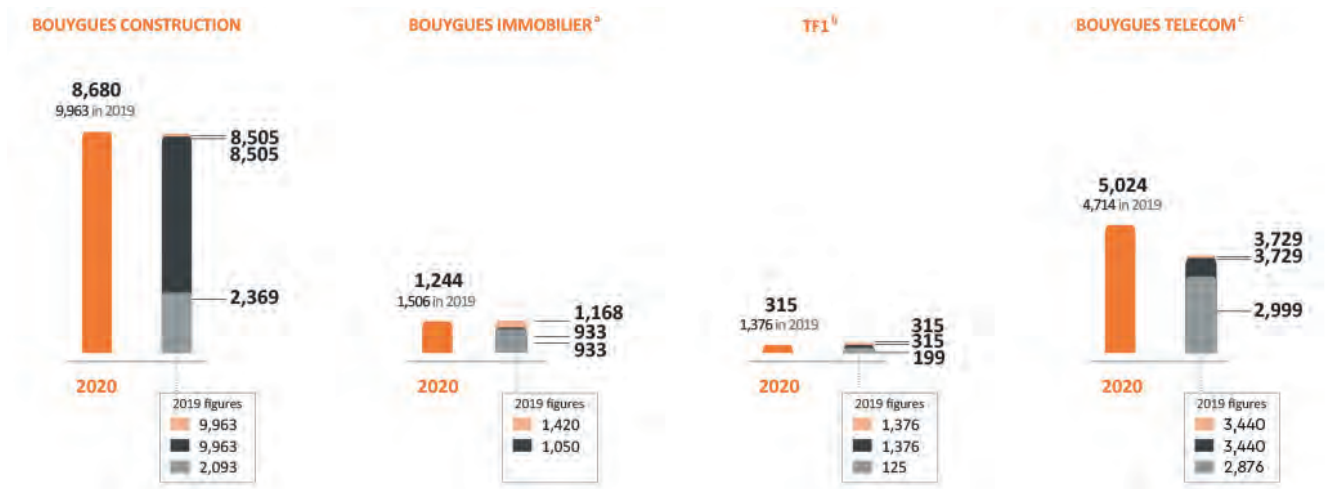
over the past two years



Bouygues Construction · Bouygues Immobilier · TF1 · Bouygues Telecom

Share of business segment expenditure targeted by CSR criteria or covered by CSR assessments

€ million



Total expenditure · Expenditure targetable by CSR criteria · Expenditure targeted by CSR criteria · Expenditure covered by CSR assessments

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

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

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

(a) At Bouygues Immobilier, expenditure/costs arising from property sales (rental guarantees and notary fees) and financial expense (the "financial completion guarantee" (GFA) and capitalised interest) are exempted.
(b) At TF1, expenditure related to acquisition of rights are exempted.
(c) At Bouygues Telecom, the "Total expenditure" indicator is calculated on the basis of billed expenditure. The indicators "Expenditure targetable" and "Expenditure targeted" are calculated on the basis of budgeted expenditure. Furthermore, expenditure arising from leases and interconnections/roaming is exempted as well because it is related to the activity of a telecoms operator and has undergone a standard tendering process to select suppliers.

Selecting responsibly sourced products and materials

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

For example, Bouygues Construction's commitment to responsible purchasing of all-important timber is reflected in its measures to fight the illegal timber trade, identify and eliminate all sourcing of threatened wood-based products, and increase the proportion of eco-certified timber purchases. This approach, followed within the framework of its partnership with WWF France, led to the production of a sustainable timber purchasing guide in 2019. Colas continues to work on including carbon footprints in all bids for purchases of binder production units, asphalt mixing plants, trucks and other vehicles.

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

Use of the disability-friendly and sheltered-workshop sector

The use of companies in the sheltered-workshop sector, coupled with an effort to broaden the range of activities outsourced to these workshops, is a key part of the Group's responsible purchasing policy (see section 3.2.3).

In 2020, Bouygues Telecom trained all its buyers on socially inclusive procurement. It was a partner in the "HandiHa" forum that was organised by Handeco to identify ways to boost purchasing from the disability sector.

Responsible purchasing and meeting payment deadlines

The Group's business segments uphold responsible purchasing principles in accordance with the pledges set forth in the Bouygues "Conflicts of interest" compliance programme. This commitment is also enshrined and promoted in codes of ethical conduct followed by buyers at Bouygues Construction, Colas, TF1 and Bouygues Telecom, and by Bouygues Construction's signature of a charter for major accounts and SMEs as well as the SME Charter. The Bouygues group's worker health & safety requirements at its locations apply equally to employees, subcontractors and suppliers (see section 3.2.2).

In 2018, TF1 was again awarded the "Supplier Relations & Responsible Purchasing" label for a further three years. This label recognises those companies that have demonstrated sustainable and fair relationships with their suppliers. One of the key actions implemented since 2017 is the appointment of an in-house ombudsman (mediateur@tf1.fr) who can be contacted directly by suppliers and subcontractors.

Meeting payment deadlines was identified as an important objective by all business segments. The move to paperless billing was accelerated. As a result, the rate of electronic billing achieved by the top 200 suppliers, managed by Purchasing at Bouygues Construction, rose from 65% to 79% during 2020. In 2020, Colas continued the digitisation of the expenditure commitment process, which included moving over to paperless billing and payments in order to simplify the process, speed up administrative tasks and reduce payment times.

Lean management initiatives were conducted in several Bouygues Construction entities (Bouygues Maroc, Bouygues Travaux Publics, Bouygues Energies & Services and Bouygues Bâtiment Ile-de-France) to improve payment times for suppliers and business partners. TF1 undertook to halve the percentage of invoices paid late by 2021. It has enlisted the support of its Executive Committee and implemented related action plans, such as simplifying the ordering process. Furthermore, in order to relieve the financial pressure on its SME/microbusiness partners during the two-month lockdown that was imposed in the first half of 2020 because of Covid-19, Bouygues Telecom paid their invoices immediately, without waiting for the usual legal time limit. This initiative related to a total amount of €100 million.

The idea of automatically sending order numbers to suppliers for them to include on their invoices is currently being considered. During lockdown, TF1 continued enrolling suppliers on its paperless billing platform. In total, 500 suppliers were registered. So far over 60% of suppliers have opted for paperless billing. In 2020, TF1 worked on an invoicing charter that will become available in the course of 2021. Its aim is to share best practice and facilitate the exchange of administrative information with its supplier partners.

Colas strives to ensure that the vast majority of its purchases are made locally, including aggregates, vehicle rental with driver, worksite subcontracting and equipment maintenance. Bouygues Construction aims to increase the proportion of purchases from local businesses to help in the development of the areas in which it operates. For France, this rate stood at 94% at the latest count. This is also a decisive criterion for worksites wanting to earn the in-house TopSite label. Bouygues Telecom uses companies with a strong regional presence to roll out its networks (fixed, mobile and transport).

The cash management department at Bouygues Construction offered French suppliers a communication kit to help them deal with Covid-19. This kit contains a summary of the measures taken by the French government, information on how to access cash loans and a template for showing evidence of a business relationship. Other examples of best practice have been implemented locally in other countries. For instance, the purchasing team in the UK drew up a questionnaire to identify the impact of Covid-19 on suppliers, and their expectations regarding how to adapt to this crisis. The initial actions that resulted include keeping lines of communication open, planning orders efficiently and switching to virtual meetings. These measures are being adapted as the situation evolves. The French teams are working to copy this approach.

3.4.5.2 Supporting start-ups and SMEs

In the belief that open innovation between start-ups, SMEs and large firms can yield benefits, Bouygues began a Group-wide initiative[a] in this area in 2015.

The initiative is run in each business segment by a team responsible for co-development projects with start-ups, based on an allotted annual budget. This entity is called Bouygues Développement and, as part of the Group's parent company, is responsible for selecting start-ups in search of seed money and providing innovation related to the operational topics identified by the business segments. A Group Open Innovation committee oversees the whole process and ensures that best practices are shared between the business segments.

As part of its innovation drive, which draws on over 100 partnerships (with companies, universities, start-ups, NGOs, etc.), Bouygues Construction founded Construction Venture in 2015. The purpose of this investment fund is to invest in and support strategic start-ups. So far, Construction Venture has invested in seven start-ups. This year, a partnership agreement was signed between Construction Venture and Bouygues Energies & Services to invest in the French start-up PowiDian, which was launched in 2013. Bouygues Construction expects this partnership to help it expand its "green" hydrogen offering.

The Innovation Unit at Colas has partnered with RB3D, a cobotics (collaborative robotics) specialist, to develop "ExoPush". This cobot[b], which is designed to help site workers with the manual application of asphalt mixes, has now advanced to the mass production phase. Colas, which now has around 80 ExoPushes, has made this innovation available to the whole of the civil works sector. Colas has also invested in a start-up called Dawex, the aim of which is to implement a data exchange platform. Contracts have also been signed with other start-ups, particularly in the area of BIM[c]. Colas has teamed up with WiseBIM, for example, which helps property managers make the digital transition to building information modelling. After conducting a feasibility study with Colas in 2019, WiseBIM co-developed an on-line software programme called "Grid2BIM". This platform, which is still at the prototype stage, enables a 3D digital model to be created nearly automatically from existing Commencement Notices in PDF, PNG and JPEG format. By helping to model networks and construction sites, the tool thus helps:

- improve site safety by systematising network modelling for the project mock-up;
- visualise more quickly and accurately the constraints relating to networks and technical clashes;
- prepare for on-site network identification operations.

In 2015, Bouygues Immobilier founded Bird (Bouygues Immobilier R&D), a subsidiary investing in start-ups focused on the property development sector. So far it has invested in around ten. Bouygues Immobilier is also a founding member of Real Estech Europe, which runs a network of property developers and start-ups. It is also a partner of French Proptech, a network of about 40 French start-ups which aim to support the digital transformation of property development and construction. Additionally, through its Lyon regional branch, Bouygues Immobilier sits on the board of Centsept, a parapublic federation that supports the development of social innovation in the Lyon metropolitan area.

As a representative of the media sector on the start-up campus Station F, TF1 launched an incubator programme in January 2018 that will trial and mass produce innovative solutions and services, in line with new market practices and changes within the professions. During this six-month programme, start-ups are supported by professional experts and sponsors from TF1.

Bouygues Telecom has supported open innovation since 2009. Bouygues Telecom Initiatives, its decade-old incubator, has overseen around a hundred co-development projects with start-ups. Half of them have become partnerships, with several notable successes:

- Recommerce: a specialist in high-end smartphone refurbishing and a partner of Bouygues Telecom in the area of recovery and recycling for the past ten years.
- Deepomatic: a specialist in AI-based image analysis which developed a quality-control solution for Bouygues Telecom based on photos taken by technicians during FTTH[d] installations.
- Evina: a Parisian start-up specialising in cybersecurity which safeguards telecoms operators from fraudulent transactions.

In addition, Bouygues Telecom Initiatives has invested in 12 start-ups.

Following the cancellation of the Viva Technology events in Paris owing to the Covid-19 pandemic, the Group launched a digital campaign called "Making progress become reality" in order to present some of the Group's innovations, and its start-up partners and intrapreneurship projects in particular.

(a) For more on this subject see section 1.1.4 of chapter 1
(b) Collaborative robot intended for direct human-robot interaction within a shared space in order to accomplish a predefined task.
(c) Building Information Modelling.
(d) Fibre-To-The-Home.

3.5 INDEPENDENT VERIFIER'S REPORT ON THE CONSOLIDATED EXTRA-FINANCIAL PERFORMANCE STATEMENT PRESENTED IN THE UNIVERSAL REGISTRATION DOCUMENT (YEAR ENDED 31 DECEMBER 2020)

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our capacity as an independent verifier, accredited by COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereafter "entity"), we present our report on the consolidated extra-financial statement established for the year ended on the 31 December 2020 (hereafter referred to as the "Statement"), presented in the Universal Registration document pursuant to the provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial code (Code de commerce).

Responsibility of the entity

It is the responsibility of the Board of Directors to produce the Statement in compliance with the legal and regulatory provisions including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied regarding these risks, as well as the results of these policies, including key performance indicators. The Statement has been produced by applying the procedures of the entity (hereinafter referred to as the "Criteria"), the significant elements of which are presented in the Statement (or available on request at the entity's headquarters).

Independence and quality control

Our independence is defined by regulatory requirements pursuant to the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with applicable laws and regulations, as well as ethical and professional standards.

Responsibility of the independent verifier

It is our role, based on our work, to express a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

It is also our responsibility to express, at the entity's request and outside the scope of accreditation, a reasonable assurance that the information selected by the entity and identified by the sign * in Appendix 1 (hereinafter the "Selected Information") has been prepared, in all material respects, in accordance with the Criteria.

Nonetheless, it is not our responsibility to express any form of conclusion on the compliance by the entity with other applicable legal and regulatory dispositions, particularly regarding the vigilance plan and the fight against corruption and tax evasion, nor the compliance of products and services with applicable regulations.

1. Limited assurance report on the compliance and fairness of the Information

Nature and scope of the work

Our work described below has been carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors applicable to such engagements and with ISAE 3000[a]:

- we took note of the activity of all the companies included in the scope of consolidation, the statement of the main risks;
- we assessed the suitability of the Criteria in terms of its relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- we verified that the Statement covers each category of information provided in III of Article L. 225-102-1 of the French Commercial Code regarding human resources and environmental matters, as well as subject to the provisions of Article L. 225-102 -1 under the conditions provided for the companies mentioned in Article L. 22-10-36 of the French Commercial Code of respect of human rights and the fight against corruption and tax evasion;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and the main risks related to the activity of all companies included in the scope of consolidation, including, when relevant and proportionate, the risks related to its business relationships, products or services, policies, actions and results, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and validate the main risks as well as the consistency its outcome, including the key performance indicators used, with respect to the main risks and policies presented;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1.

(a) ISAE 3000 - *Assurance engagements other than audits or reviews of historical financial information*.

Work was carried out at the level of the business consolidating entity and in a selection of entities listed below: Colas Belgique, Colas Ile-de-France Normandie, Spac, Sintra Inc., Miller Group, Bymaro, Plan Group, Brézillon Ouvrages Publics, Travaux publics Région France and Bouygues Bâtiment Sud-Est;

- we verified that the Statement covers the scope of consolidation, i.e. all the companies included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, with the limitations specified in the Statement;
- we took note of internal control and risk management procedures the entity has put in place and assessed the collection process aiming at completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1:
  - at the level of the consolidated entity and its five business segments (Bouygues Construction, Bouygues Immobilier, Colas, TF1, Bouygues Telecom), we implemented analytical procedures on the quantitative information to verify the proper consolidation of data collected and the consistency of any changes in this data;
  - at the level of the two most contributing business segments in terms of environmental and human resources impacts (Colas and Bouygues Construction), we undertook detailed tests on the basis of samples, consisting in checking the correct application of definitions and procedures, and reconciling the data with supporting documents. This work was carried out with a selection of contributing entities listed above and covers between 6% and 21% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (14% of sales and 12% of the workforce);
  - at the level of TF1, we carried out detailed tests with the Unify entity and TF1 headquarters, which cover 84% of the workforce in the business segment;
  - at the level of the two other business segments (Bouygues Immobilier and Bouygues Telecom), supporting documents available at headquarters cover most of the activities;
- we assessed the overall consistency of the Statement with our knowledge of all the companies included in the scope of consolidation.

We consider that the work conducted by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Means and resources

Our verification work required the skills of eleven people and took place between July 2020 and February 2021 on a total duration of intervention of about twenty-five weeks.

We undertook around twenty interviews with the people responsible for the preparation of the Statement representing, in particular the following functions: general management, administration and finance, innovation, human resources, health and safety, environment and purchasing.

Conclusion

Based on this work, we did not identify any significant misstatement that causes us to believe that the extra-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken together, has not been fairly presented, in compliance with the Criteria.

2. Reasonable assurance report on the Selected information

Nature and scope of the work

Concerning the Selected Information chosen by the entity and identified by the sign* in Appendix 1, we carried out work of the same nature as those described in paragraph 1 above for the key performance indicators and other quantitative results that we considered the most important, but in greater depth, in particular with regard to the scope of the tests.

The selected sample thus represents between 52% and 84% of the Selected Information.

We believe that this work allows us to express a reasonable assurance on the Selected Information.

Conclusion

In our opinion, the Selected Information has been established, in all material respects, in accordance with the Criteria.

3

Paris-La Défense, 17 February 2021

Independent Verifier

ERNST & YOUNG et Associés

French original signed by:

Jean-François Bélorgey
Partner

Éric Mugnier
Partner, Sustainable Development

Annex 1: Information considered the most important

HUMAN RESOURCES INFORMATION

Quantitative information (including key performance indicators)	Qualitative indicators (actions or results)
Total headcount Percentage of women managers Percentage of women in the headcount, all job categories (permanent and fixed-term contracts) at TF1* Frequency rate of workplace accidents among staff (excluding occasional workers at TF1)* Severity of workplace accidents among staff (excluding occasional workers at TF1) Number of fatal accidents among staff (excluding occasional workers at TF1)*	Health & safety at work policy for employees Promotion of diversity and equal opportunities, particularly through recruitment and the management of careers and the pay gap between men and women Development of skills and internal job mobility policy

ENVIRONMENTAL INFORMATION

Quantitative information (including key performance indicators)	Qualitative indicators (actions or results)
Greenhouse gas emissions Number of housing units carrying the BiodiverCity Ready label or covered by a commitment to obtain it Number of construction projects with the BiodiverCity label Percentage of projects taking measures in favour of biodiversity Share of aggregates production sites working to promote biodiversity as a % of sales before inter-company eliminations Materials production activities that use a tool to manage environmental impacts (environmental certification and/or Colas checklists) as a % of sales before sales before inter-company eliminations Sales covered by an ISO 14001-certified EMS The proportion of worksites assessed for TopSite The proportion of worksites with the TopSite label Recycled materials in relation to the volume of aggregates produced Percentage of asphalt pavement recycled in order to reclaim bitumen Proportion of non-hazardous waste that is recycled (not disposed of in landfill) Percentage of usable non-hazardous waste recycled Percentage of spoil recycled Buildings in the annual order intake with a commitment to environmental labelling or certification prescribed by Bouygues Construction Total energy costs Total electricity consumption (in GWh)	The Climate strategy Certifications and labels The circular economy Protection of biodiversity Roll-out of the TopSite label

SOCIAL INFORMATION

Quantitative information (including key performance indicators)	Qualitative indicators (actions or results)
Materials production sites working to promote dialogue with local communities as a % of sales before inter-company eliminations Percentage of expenditure favouring local companies Number of partnerships during the year supporting integration, education and healthcare R&D budget spent on CSR Percentage of employees who have taken the on-line training course "Fair Deal"	Responsible purchasing Business ethics The compliance of information programmes with ethical commitments and information relating to the independence and pluralism committee Actions implemented to limit the impact of electromagnetic fields The accessibility of the products and services provided by Bouygues Telecom

RISKS AND RISK MANAGEMENT

4

4.1 RISK FACTORS

This section describes the principal risks to which the Bouygues group believes it is exposed, and which if they materialise could have an adverse effect on its operations, financial position, reputation, future prospects, or stakeholders.

Those risks are described separately for each sector of activity. Within each category, the most important risks are described first. The importance of each risk is determined at the date of this document, according to an assessment that takes account of their estimated impact and probability, after factoring in the measures taken to manage these risks.

In addition, other risks may exist or arise that are not yet identified at the date of this document, or that are not regarded at that date as likely to have a significant adverse effect if they materialise.

Risks that are not mentioned in this document because they are currently regarded as being of low importance are nonetheless factored into the risk management procedures operated within each of the Bouygues group's business segments. For a description of the Group's principal internal control and risk management procedures, refer to section 4.4 of the present chapter.

Category	Risk	Importance[a]
Construction businesses	Operational risks on major projects	■■
	Erosion of skills and attractiveness	■■
	Risks associated with trends in the property market	■
Media	Risk of leadership premium erosion	■
	Risks related to the emergence of new players and patterns of consumption	■
Telecoms	Competitive environment and market trends	■■
	Continuity of service and site security	■■
	Risks related to current and future telecoms regulation	■
	Effects of electro-magnetic waves	■
Bouygues SA/Group	Impairment in value of equity holdings	■
	Cybersecurity	■
	Compliance with the law and regulations	■
	Risks associated with climate change	■
	Systemic risks	■

(a) Importance: estimated impact and probability of occurrence, on a scale of 1 to 2, from moderate to significant importance.

4.1.1 Construction businesses

4.1.1.1 Operational risks on major projects

The complexity and size of the projects undertaken by Bouygues Construction and Colas may expose the Group to risk both in studies and design, and in the execution phase.

If such risks materialise, they may lead to significant cost overruns and losses for the Group.

Bouygues Construction and Colas both have specific organisational structures in place to ensure maximum control over project studies, design and execution.

Internal audits are regularly conducted on major projects to obtain assurance of adequate control over emerging risks.

4.1.1.2 Erosion of skills and attractiveness

The activities of Bouygues Construction and Colas are dependent on the skills, know-how and expertise of their employees, especially as regards the delivery of construction projects.

So the risk is that those companies may be unable to attract and retain the most suitable people in terms of their know-how and/or potential; to train and build the skills of its employees effectively; or to allocate resources appropriately.

If this risk were to materialise, it would:

- reduce the overall level of expertise within the segments involved, potentially weakening their market position;
- make it difficult to plan the availability of certain resources, leading to internal disruption;
- impair the quality and lead times of project design and/or execution, leading to cost overruns;
- adversely affect the image and reputation of the segments involved.

Preventive and corrective measures are applied. These relate to spotting skills and talent and providing training and support to management, and to highlighting the attractiveness of the construction sector and developing the employer branding of the Group's construction businesses.

4.1.1.3 Risks associated with trends in the property market

The property activities of the Bouygues group are exposed to external economic factors, and to risks associated with the cyclical nature of property markets. Fluctuations in the property market and in the broader economic situation can have a significant impact on operations and profitability, the consequences of which – whether negative or positive – do not flow through immediately into financial results, due to the time required to complete projects.

Factors that can affect the property market include:

- international and domestic economic conditions, plus trends in interest rates, purchasing power , and the level of consumer confidence (which exert a strong influence on the residential market);
- public health issues and the general economic climate, which can result in high volatility in demand for new office space; and
- sales may also be significantly impacted by changes in administrative measures (in particular where newly-elected municipal authorities call existing projects into question) and in tax policies affecting segments of the property market. In France, incentives for first-time homebuyers and tax breaks for buy-to-let investors are a particular issue. Buy-to-let incentives have been an important factor in property development programmes in France for more than 30 years, so any repeal of the current “Pinel” arrangements would cause disruption in construction capacity, the extent and duration of which is difficult to predict.

4.1.2 Media

4.1.2.1 Risk of leadership premium erosion

The performance of TF1 depends partly on its ability to offer premium programmes in order to maintain its leadership in audience ratings and its share of the advertising market. Consequently, the loss of key programmes represents a risk in terms of reduced audiences, and of reduced capacity to monetise those audiences.

Thanks to the talent of its artistic staff and its long-standing special relationships with French and foreign partner producers, TF1 has key programmes available. Future programming streams are locked in via multi-year contracts with the biggest producers, reducing the risk of loss of key programmes in the medium and/or long term.

4.1.2.2 Risks related to the emergence of new players and new patterns of consumption

TF1 operates in a constantly changing competitive environment.

Patterns of consumption are evolving, with a shift towards delinearised viewing (reflecting the rise of connected TV and video content on smartphones and tablets), and above all the boom for SVOD[a] operators such as Netflix, Amazon Prime, Disney+ and OCS. This is eroding the amount of time people spend watching linear television.

While in 2020, the effects of the health crisis gave TV viewing a new lease of life (including a very strong rise in average viewing time during the two French lockdowns), from 2021 onwards the trend will probably return closer to that seen in previous years.

In addition to audience fragmentation, the proliferation of players could generate inflationary pressure in the rights market, particularly for high-profile, attractive content such as drama series.

In this context, TF1 is consolidating its market leadership in terms of audiences by:

- optimising the acquisition of programmes for its premium TF1 channel and the DTT channels by adopting a transverse organisational structure, providing the best fit between each channel’s needs and programme purchases on the one hand, and exploiting and circulating acquired rights (subject to the TF1 group’s undertakings) on the other;
- tightening its control over the value chain by using its in-house production subsidiaries TF1 Production and Newen for part of its programme output); and
- adapting its commercial policy to the new competitive landscape.

Personalising the TV viewer's experience also extends to advertising, via initiatives in targeted advertising as already practised on digital platforms.

Finally, the ongoing process of adapting TV audience ratings metrics to the new media landscape, which began in 2011, will in 2022 see the inclusion of people watching TV at home live and in catch-up on three other types of screen: computers, tablets and smartphones.

4.1.3 Telecoms

4.1.3.1 Competitive environment and market trends

Bouygues Telecom sells its products and services exclusively in the French market. France is a mature market, where in recent years competition has been particularly fierce in both the BtoC and BtoB segments.

Very intense competition in mobile and fixed prices could have a negative impact on the results expected by Bouygues Telecom, particularly when marketing 5G offers that require major investment in terms of infrastructure and frequencies.

In addition, Bouygues Telecom has sought to extract value from its services and differentiate itself from the competition by positioning itself as a trusted operator, thanks to excellent customer support and the coverage and quality of its very-high-speed mobile and fixed broadband networks. The success of this strategy depends on Bouygues Telecom’s ability to retain

(a) Subscription Video-on-Demand.

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its positioning and reputation as a trusted operator, especially in the 5G roll-out. If the company fails to do so, and especially if there is a perception by consumers that Bouygues Telecom's 5G coverage is significantly worse than that of its competitors, it could be exposed to negative impacts on its financial results, its operations and its image.

4.1.3.2 Continuity of service and site security

Service interruption, or a deterioration in service quality, may be caused by technical equipment breakdown; an on-site incident affecting the network or information systems; or complex equipment upgrades.

Such incidents could have a negative impact on the company's image and financial results.

Bouygues Telecom addresses these risks through:

- security measures at key sites including restricted access, fire prevention, air conditioning, power supplies, etc;
- a business continuity plan for critical mobile and fixed-line technical systems, maintained in a state of operational readiness at all times; and
- a crisis management plan, based on keeping certain employees on call in order to ensure a fast, co-ordinated response to major incidents.

The company also carries out regular crisis simulation exercises. Regular audits of these procedures are commissioned, in conjunction with Anssi[a].

4.1.3.3 Risks related to current and future telecoms regulation

Bouygues Telecom operates in a highly regulated sector and is subject to many French and European regulations in areas such as electronic communications, data protection, compliance, and consumer protection.

The company may become subject to new domestic and European regulations, putting additional constraints on its operations.

Bouygues Telecom cannot rule out the possibility that new regulations could expose it to the kinds of risk associated with any project, including delays or difficulties in implementation.

Under new French legislative provisions adopted in August and December 2019, operators of 5G and later-generation radio equipment must obtain prior approval from the Prime Minister. The application of this new requirement could increase costs and leadtimes for Bouygues Telecom's 5G rollout.

Dedicated project teams are working to identify the impacts of these regulations and determine the necessary courses of action.

4.1.3.4 Effects of electro-magnetic waves

Exposure to electro-magnetic waves is an issue of ongoing concern in France, due to lobbying by various organisations.

An increased perception of health risk on the part of consumers - especially on the rollout of the 5G network - could have various adverse impacts such as reduced usage per customer, shrinkage of the customer base, and increased leadtimes and/or costs in installing and operating sites. In France, some campaign groups have called for a moratorium on 5G rollout and some municipalities have expressed support for such a moratorium, pending the findings of the report on 5G by Anses[b], which is due to be published in the first quarter of 2021.

Bouygues Telecom has had a team dedicated to this issue ever since the company was founded. This team is responsible for ensuring that the regulations are rigorously applied, and for carrying out a conscientious risk assessment based on collective experience. Bouygues Telecom contributes to independent research, and releases all of its scientific publications on this subject.

4.1.4 Bouygues SA/Group

4.1.4.1 Risk of impairment in value of equity holdings

The principal risk facing Bouygues SA as the parent company of a diversified group is a significant impairment in the value of one or more of its equity investees. As required by accounting standards, the main equity holdings are tested for impairment at least once a year.

4.1.4.2 Cybersecurity

Cyberattacks on networks and information systems can have a variety of impacts, including:

- disclosure of sensitive data, in particular private data relating to customers; and/or
- interruption of services such as a slowdown in order intake, delays in execution, difficulties for customers in connecting to the telecoms network, and disruption to in-store sales or to customer relations services.

If a cyber-attack were to occur, the company would be exposed to potential negative impacts on its financial results, its operations and its image.

To protect themselves, each business segment has set up a security policy adapted to its specific risks. This policy is based around the following:

- access controls to information systems;
- anti-intrusion systems;
- a monitoring system to detect security incidents, and
- regular campaigns to raise security awareness among the company's employees, suppliers and partners.

In addition, annual checks are carried out. Each business segment has specific cyber-risks insurance policies in place.

(a) The French Agency for IT Systems Security.
(b) The French Agency for Food, Environmental and Occupational Health and Safety.

4.1.4.3 Compliance with the law and regulations

The Bouygues group's business segments are present in many different countries and are subject to a variety of constantly changing laws and regulations, particularly in the areas of competition law, anticorruption legislation, export restrictions and embargoes, data protection measures, environmental law, and regulations relating to the health and safety of employees.

Non-compliance by the Group with the laws and regulations to which it is subject, in the countries where it operates, when in France or abroad, may result in different types of sanctions, fines or other types of penalty that might have an adverse effect on the Group's activity, sales, results and reputation.

More specifically, the construction businesses are exposed to risks relating to breaches of ethics given the international nature of its projects and the number of people involved in operations, in both the commercial and operational phases.

Furthermore, the activities of certain business segments, such as Bouygues Telecom and TF1, are highly regulated, which means they have to adjust continually to changes within their respective sectors.

The Group has published specific compliance programmes and run campaigns to raise awareness amongst employees to comply with laws and regulations. Its legal teams work at Group-wide and business-segment level to provide advice to operational staff. Finally, the Group systematically takes disciplinary action against any compliance breaches.

4.1.4.4 Risks associated with climate change

Climatic disturbances (higher temperatures, drought and floods, coastal erosion, rising sea levels, etc.) may impair the resilience of more and more infrastructure. The greater incidence of heatwaves and extreme weather events (hurricanes, floods, etc.) is disrupting execution on some projects, with impacts on productivity, operating costs and insurance premiums.

In addition, the production and construction processes associated with construction activities, and the use of the assets and infrastructure constructed, generate greenhouse gases. Given the objective of limiting the rise in temperature to 1.5°C by 2100, Bouygues is also exposed to transition risks, in other words risks relating to the consequences of transitioning towards a lower-carbon business model. These include:

- **Carbon taxation:** the adoption of a carbon tax in certain countries where the Group operates could have financial impacts such as (for example) higher taxes; increased costs for high grey energy materials; the obligation to acquire emissions rights; and higher project operating costs.
- **Supply risks:** the highly carbon-intensive nature of the extractive industries and building materials manufacturing sector means they are having to adapt, and is affecting the cost of access to some primary raw materials such as petroleum products, sand and metals. Delays or interruptions in supply, and fluctuations in the cost of such raw materials, potentially have direct and indirect financial impacts for the construction industry.
- **Regulatory requirements** intended to replace some existing techniques with solutions that generate fewer greenhouse gas emissions. Failure to anticipate developments in this area could lead to a drop in demand for certain products and services offered by Bouygues.

The Group's business segments are working to factor in and counter all those risks by developing circular economy solutions and adopting sustainable construction strategies: low-carbon buildings, active and passive energy efficiency in both renovated and new buildings, creation of eco-neighbourhoods, developing partnerships and commercial solutions to promote soft mobility, etc. Our priorities, and the main initiatives taken as part of our low-carbon strategy, are described in Chapter 3 of this document.

4.1.4.5 Systemic risks

As illustrated by the Covid-19 pandemic in 2020, the Bouygues group is exposed to various systemic risks. When faced with such risks, which are by nature unforeseeable and may be of different kinds (pandemics, natural disasters, etc), the Group relies upon the quality of its employees' dedication and continual upgrades to its crisis management systems. So in 2020, all the Group's business segments were able to roll out action plans rapidly, thereby ensuring business continuity while protecting their employees.

4.2 CLAIMS AND LITIGATION

Bouygues group companies are involved in a variety of litigation and claims in the normal course of their business. Risks are assessed on the basis of past experience and analysis by the Group's in-house legal departments and external counsel. To the company's knowledge, there is at present no exceptional event, dispute or claim likely to have a substantial negative impact on the business, assets and liabilities, results or financial structure of the Group as a whole. Disputes and claims are subject to regular review, especially when new facts arise. The provisions recorded in the financial statements appear to be adequate in light of these assessments. The Group uses all legal means to defend its legitimate interests. Details about which claims are or are not covered by provisions have not been disclosed, since such disclosure might affect the outcome of some ongoing claims.

4.2.1 Bouygues Construction

4.2.1.1 France: Flamanville EPR

Bouygues Travaux Publics was found guilty of undeclared work and the illegal loan of manpower by the Caen Court of Appeal on 20 March 2017 and ordered to pay a fine of €29,950.

All the charges against Bouygues Bâtiment Grand Ouest (formerly Quille Construction) for labour law offences were dropped by the same Court of Appeal.

On 21 March 2017, Bouygues Travaux Publics lodged an appeal in the *Cour de Cassation* (the French Supreme Court) against the Court of Appeal's judgement. The *Cour de Cassation* applied to the European Court of Justice for a preliminary ruling on 8 January 2019, which ruled on the range of E 10 Secondment Certificates on 14 May 2020.

The *Cour de Cassation* dismissed the appeal by Bouygues Travaux Publics on 12 January 2021. The case is therefore closed.

4.2.1.2 France: Île-de-France Regional Authority Contracts

Following a Competition Council (now the Competition Authority) ruling on 9 May 2007, the Île-de-France Regional Authority filed a compensation claim in 2008 for losses it claimed to have incurred as a result of the anti-competitive practices by construction companies in connection with the award of public works contracts for the renovation of secondary school buildings in the region.

As the Conflicts Court decided on 16 November 2015 that this dispute came within the jurisdiction of the Administrative Courts, the Île-de-France Regional Authority seized the Paris Administrative Court on 28 March 2017, with claims for damages for each school, and for all jointly liable defendants to *jointly and severally* pay an indemnity of 16.4% of the price paid for each secondary school.

The Paris Administrative Court ruled that the indemnity claims were barred by limitation in several judgements dated 29 July 2019. The Île-de-France Regional Authority lodged an appeal against these judgements in October 2019.

On 19 February 2021, the Paris Administrative Court handed down a judgement that held that the Île-de-France Regional Authority's claim for compensation was not statute barred, and that ordered an expert's appraisal with the possibility for the expert to submit the dispute to a mediation procedure.

4.2.1.3 France: Eole

Following a Competition Council (now Competition Authority) ruling of 21 March 2006, imposing fines on a number of companies for collusion relating to the award of work packages for the East-West Express Rail Link (Eole) project, the SNCF, on 21 March 2011, brought an action for damages before the Paris Administrative Court for the losses it claims to have suffered as a result of anti-competitive practices.

The Paris Administrative Court and the Paris Administrative Court of Appeal dismissed all of the SNCF's claims in judgements dated 31 May 2016 and 29 December 2017 holding that the claims were statute barred.

Seized by SNCF Mobilités, the *Conseil d'État* quashed the Paris Administrative Court of Appeal's judgement on 22 November 2019 ruling that although the action to invalidate the contract was statute barred, the action in tort was not.

The *Conseil d'État* has referred the case back to the same Administrative Court of Appeal. The exchange of statement of cases phase is ongoing.

4.2.1.4 Singapore: Centennial Tower

This litigation results from panels falling off, in 2004, and then 2011, the façade of the Centennial tower, which was handed over in 1997.

On 3 July 2019 the Singapore Court of Appeal upheld the first instance judgement ordering Dragages Singapore to pay the repair costs for all the cladding of the tower's façade. This judgement is not open to appeal. The quantum still has to be assessed by the Singapore court.

4.2.1.5 Ireland: Gemini data centre

At the end of 2016, St Stephen's Green Funds ICAV entrusted Bouygues E&S Ireland Limited with a contract to design and build a data centre.

The energy supply to the building site depended on the construction of an electricity substation. The construction of the substation, which ICAV entrusted to a third party, suffered delays. This impacted the performance of the contract and resulted in ICAV applying penalties, terminating the contract and claiming damages from Bouygues E&S Ireland for an alleged loss.

Three adjudication decisions recognised ICAV's right to, in the final analysis, apply penalties for delay against Bouygues E&S Ireland. Bouygues E&S Ireland brought arbitration proceedings on 4 November 2019 to challenge the enforcement of penalties and to claim damages. The exchange of statement of cases has been completed.

The hearing is expected to take place in April 2021.

4.2.1.6 Switzerland: Alpiq

These arbitration proceedings follow Bouygues Construction's purchase on 31 July 2018 of the shares in Alpiq Intec AG and Kraftanlagen Munchen GmbH from the Swiss Group, Alpiq.

On 12 February 2019, Bouygues Construction seized the Swiss Association of Chambers of Commerce and Industry with a Request for Arbitration and Mediation concerning (i) the adjustment of the acquisition price based on the closing mechanism for the accounts stipulated in the acquisition contract and (ii) the Alpiq group's breach of its contractual declarations and warranties.

The parties concluded a settlement agreement on 24 December 2020.

4.2.1.7 Monaco: offshore extension project

Bouygues Travaux Publics, (within the scope of a joint venture) entrusted Jan de Nul on 9 January 2017, with a subcontracting contract for dredging and technical and hydraulic fill services for the Monaco offshore extension project.

Because Jan De Nul failed to deliver materials which conformed with the contractual specifications, Bouygues Travaux Publics replaced Jan De Nul for this task. Jan De Nul disputed this decision and terminated the contract against Bouygues Travaux Publics on 20 December 2019.

The parties are therefore in dispute with each claiming damages against the other for its losses. This dispute has been submitted to arbitration under the rules of the International Chamber of Commerce.

An Arbitration tribunal was constituted on 13 May 2020.

4.2.2 Bouygues Immobilier

4.2.2.1 France: Rue Verte development in Rouen

Disturbances were caused to local residents in Rouen (Normandy) by pile driving works at the 21 rue Verte property development carried out by a Bouygues Immobilier subcontractor, which blocked the flow of underground water (causing cracking to the façade of a hotel, in particular). Two investigations were carried out, a technical one by

Bouygues Immobilier to determine the cause of the damage and the costs of the repair works, and another financial one by the hotel to assess the commercial and financial consequences resulting from the interruption to business.

Bouygues Immobilier has, pending the filing of the expert's report:

- firstly maintained its claims against the contractors within the scope of the claims brought by the hotel owner and its insurer; and
- secondly, claimed damages for its loss.

These proceedings are continuing.

4.2.2.2 Poland: office building in Warsaw

Bouygues Immobilier Polska was served with a Request for Arbitration in the Chamber of Commerce and Industry of Paris by OCP Holding, the purchaser of an office block leased entirely to TPSA Orange in Warsaw, regarding defects which are estimated at €29 million. These defects allegedly affect the façade, the windows and the electro-magnetic sensors of the doors and windows, which according to the complainant have caused the building to depreciate in value, as well as significant problems for Orange, which has demanded a reduction in rent from OCP.

The arbitration was suspended to enable negotiations take place and an agreement was reached with OCP in December 2020 which put an end to the litigation.

4.2.3 Colas

4.2.3.1 France: Urssaf reassessment

At the end of 2009, Urssaf issued Colas with a reassessment notice relating to relief from social security charges for the years 2006 to 2008 under the "Tepa" Law and the Fillon plan. Urssaf was demanding repayment in full (in the form of a lump-sum payment) of all the relief from social security charges granted under these schemes, principally on the grounds that the Colas group companies involved did not file the required information electronically. Urssaf claims that electronic filing is required under the French Social Security Code. Colas and its subsidiaries believe there are no grounds for levying the lump-sum tax payment, arguing that they supplied the documents and other evidence necessary for the audit in paper form and therefore in a usable format. The amount of this reassessment notice, including late payment interest, was estimated at €63.43 million.

This dispute has been referred to the Social Security courts.

4.2.3.2 Hungarian competition law cases and associated competition claims in Hungary

Between 2004 and 2012, the Hungarian competition council imposed fines on around ten Hungarian companies, including Colas subsidiaries, for anti-competitive practices in tendering for public contracts. The fines have been paid.

Following these decisions, claims for damages against some Hungarian sub-affiliates of Colas were filed in the Hungarian courts by several companies, in respect of losses allegedly incurred as a result of the anti-competitive practices.

There are still two ongoing cases (i) one involving the Municipality of Budapest and (ii) the other now concerning the Hungarian State alone.

4.2.3.3 Tax dispute in Canada relating to technical assistance invoiced by Colas to its subsidiary Colas Canada Inc.

The Canadian Revenue Authorities are disputing the deductibility of the technical assistance costs invoiced by the Colas parent company to its subsidiary Colas Canada Inc. They claim that the amount of these costs is excessive and the supporting documentation is insufficient.

The assessment notices for 2004 to 2007, which disputed the whole of the deductibility of the costs, have been referred to the mutual agreement procedure provided for in the Franco-Canadian Tax Convention. The French and Canadian authorities have agreed on a technical assistance rate that is very close to the rate invoiced. For the years 2008 to 2014, the rate accepted by the Canadian Revenue Authorities was contested by Colas Canada Inc. within the scope of the above mutual agreement procedure. The tax audit of Colas Canada for the years 2015 and 2016 is still ongoing.

The amounts involved at end-2020 now total €14 million.

4.2.3.4 Colas Djibouti

On 1 July 2014, Colas SA voluntarily informed the US government that it had discovered that employees of Colas Djibouti, a subsidiary of Colas, had engaged in non-compliant practices during the execution of contracts and sub-contracts with the US government between 2012 and mid-2014. In February 2021, Colas entered into a transaction with the competent US authorities for the civil aspects and into a two-year Deferred Prosecution Agreement for the criminal prosecution, undertaking to cooperate fully with the authorities if they were to decide to bring a prosecution against the persons concerned.

4.2.3.5 International: Colas Rail files a complaint in relation to an international project

In 2017, an internal audit and an external investigation requested by Colas Rail, a subsidiary of Colas, revealed that suspicious payments in euros and in local currency had been made to local consultants.

Colas Rail filed a complaint in France. The contracts with these consultants were terminated and all payments prohibited. In agreement with the customer, Colas Rail transferred the construction contract with no major economic impact on the Colas group.

The investigation that followed the complaint filed by Colas Rail is ongoing.

4.2.4 TF1

4.2.4.1 Complaint by Canal+ group against TF1, M6 and France Télévisions

On 9 December 2013, the Canal Plus, D8 and D17 groups referred certain alleged practices by TF1, M6 and France Télévisions in the sector of the acquisition of rights to *"French language catalogue films"* to the Competition Authority. At the end of investigation, TF1, France Télévisions and M6 received a Statement of Objections on 23 February 2018 from the Competition Authority because some of the clauses in the contracts had the potential cumulative effect of closing access to the catalogue film market.

In a decision of 27 May 2019, the Competition Authority rejected Canal+ group's claim, ruling that given the substitutable nature of the different types of films and the volume of films available, there was *"no current risk of being shut out of the market"*.

Canal+ Group appealed this decision and the Paris Court of Appeal held ,in a judgement on 8 October 2020 that Canal + Group's claim was unfounded, because the disputed clauses did not distort competition on the market.

Canal+ Group has lodged an appeal with the *Cour de Cassation*.

4.2.4.2 Molotov TV litigation

Molotov seized the Competition Authority with a claim for conservation measures on 12 July 2019 in relation to practices by the TF1 and M6 groups in the unencrypted television channel broadcasting and marketing sector (notably following TF1's refusal to allow Molotov to air the TF1 group's channels free of charge). The Competition Authority rejected Molotov TV's referral in a decision dated 30 April 2020. In July 2020 Molotov TV applied to the Paris Court of Appeal with a claim to cancel and reverse the Competition Authority's decision. These proceedings are continuing.

Molotov TV served a claim for damages on TF1 and TF1 Distribution in the Paris Commercial Court on 10 November 2020. Molotov TV is arguing that the offer of distribution from TF1 Distribution would subject it to imbalanced obligations, with the purpose of obtaining an advantage without giving anything in return.

The TF1 group's channels responded by bringing proceedings for infringement against Molotov TV before the Paris District Court on 1 July 2019 arguing that it is continuing to broadcast and use its channels without authorisation, by indirect means and with the complicity of third parties. The TF1 group's channels also applied to the Pre-trial Judge at Paris Judicial Court on 18 November 2020, within the scope of these proceedings, for an injunction to order Molotov TV to cease using the brands of its unencrypted channels. TF1 obtained a judgement from the Pre-trial judge on 18 December 2020 prohibiting the use of the brands for any advertising or commercial presentation, subject to a fine of €10,000 for each contravention.

4.2.4.3 GPDR complaints

The French Data Protection Authority (the "CNIL") passed on two complaints in 2020, from Internet users concerning the placement of cookies on http://www.tf1.fr and the second by the NGO "Privacy International" against the Doctissimo website for using personal data. The investigations are continuing.

4.2.5 Bouygues Telecom

4.2.5.1 Competition

In November 2014, Bouygues Telecom brought proceedings against Free Mobile in the Paris Commercial Court for unfair competition for the bandwidth throttling on some of the mobile internet services that Free Mobile provides via its roaming agreement with Orange. Bouygues Telecom criticized Free Mobile for unfair business practices, and the failure to properly inform consumers, claiming damages of €719 million. The Paris Commercial Court dismissed all of Bouygues Telecom's claims in a judgement dated 27 February 2019. Bouygues Telecom appealed this judgement. The proceedings are continuing before the Paris Court of Appeal.

In November 2015, Free sued Bouygues Telecom in the Paris Commercial Court for unfair competition in relation to certain Bouygues Telecom advertising of its ADSL offer. Free assesses its prejudice at €275 million. Bouygues Telecom filed a counterclaim against Free alleging misleading commercial practices, and claimed damages for its loss which are assessed on today's date at €285 million. The proceedings are continuing.

In October 2019, Free Mobile sued Bouygues Telecom before the Paris Commercial Court for unfair competition because some of its mobile telephony offers combining a phone plan and the purchase of a handset were allegedly consumer credit transactions and misleading practices. Free Mobile assesses its loss at €612 million. Bouygues Telecom is disputing the admissibility and the well-foundedness of Free Mobile's action and has counter-claimed for damages of €1,576,000 firstly on the basis of the abuse of rights and secondly for the disparagement of its offers. In its conclusions filed on 5 February 2021, Free Mobile updated the assessment of its losses, lifting them to €722 million. The proceedings are continuing.

4.2.5.2 Regulatory matters

Bouygues Telecom made a preliminary claim to the French Prime Minister, following a letter dated 4 December 2015, to obtain an indemnity for its loss due to the failure to supervise Free Mobile's roaming between 2011 and 2015. Bouygues Telecom's prejudice was assessed at €2.285 billion. As it did not receive a reply, Bouygues Telecom filed a claim for damages in April 2016 before the Paris Administrative Court. The Paris Administrative Court dismissed Bouygues Telecom's claim in a judgement dated 29 December 2020.

In a decision dated 19 October 2016, Arcep began sanction proceedings for failing to respect the roll-out schedule of a shared 3G network in not-spots. Arcep established that Bouygues Telecom had respected its obligations for 3G coverage in town centres for which it had been designated as the leading operator in a decision dated 5 November 2020, and therefore withdrew the proceedings.

In a decision dated 21 February 2018, Arcep began an investigation concerning the implementation of the European Regulation n° 2015/2120 on an open Internet. After receiving Bouygues Telecom's replies, Arcep abandoned the investigations in a decision dated 28 July 2020.

On 6 June 2019, Arcep began an investigation concerning Bouygues Telecom's roll-out obligations in relation to the "New Deal for Mobile" and its targeted coverage mechanism. On 23 July 2019, Arcep gave Bouygues Telecom formal notice to respect its obligations in accordance with the stated schedule.

Bouygues Telecom filed a claim for ultra vires with the *Conseil d'état* on 23 July 2020 against the decree and the implementing order for law n° 2019-810 of 1 August 2019 to protect France's defence and national security interests in relation to the operating of mobile radio electronic networks. Bouygues Telecom therefore requested the *Conseil d'État* (France 's Supreme Administrative Court) to submit a priority question of constitutionality concerning law n° 2019-810 of 1 August 2019, to the *Conseil constitutionnel* (the French Constitutional Court). The *Conseil d'État* granted this request on 18 November 2020. In a decision of 5 February 2021, the *Conseil constitutionnel* ruled that the provisions of the law requiring prior authorisation for the operation of 5G network equipment were constitutional.

On 4 September 2020, Bouygues Telecom filed several claims for ultra vires with the Paris Administrative Court against the French Prime Minister's decision to refuse authorisation to use Huawei 5G equipment or only giving authorisation for a limited period.

On 22 December 2020, Bouygues Telecom filed a claim for ultra vires against the decision by Arcep, published in a press release dated 23 October 2020, which validated the rider to the roaming contract between Free Mobile and Orange extending Free Mobile's roaming by two years.

On 30 January 2020, Bouygues Telecom seized Arcep with a claim to settle the disputes over SFR FTTH's rental price of €16.40 ex. VAT/month/line and the increase in SFR FTTH's price scale (cofinancing and rental) from 1 February 2020 with a rental price of €16.73 ex. VAT/month/line in the "SFMD" zone (*ZMD AMII historique SFR + zone AMEL*). Bouygues Telecom asked Arcep to set a rental price of between €12.20 ex. VAT/month/line and €13.20 ex. VAT/month/line and to cancel price increases. Arcep, in a decision dated 5 November 2020, compelled SFR FTTH to restore the applicable co financing rates which were in force before 1 February 2020 and to offer Bouygues Telecom a maximum rental price of €13.20 ex. VAT/month/line. SFR has appealed this judgement.

4.2.5.3 Contracts

Tel and Com, a specialised distributor whose contract was not renewed when it expired, filed a claim against Bouygues Telecom in the Paris Commercial Court on 10 November 2015 alleging the sudden break off of an established business relationship. Tel and Com claimed that Bouygues Telecom had not given a sufficient period of notice and claimed damages of €125.7 million for its loss. The Commercial Court held in a judgement on 16 October 2017 that the nine-month notice period was insufficient and ordered Bouygues Telecom to pay €7.7 million as damages. However, the Court also found that Tel and Com owed around €9.1 million to Bouygues Telecom for contractual breaches. On an appeal by Tel and Com, the Paris Court of Appeal, in a decision of 20 December 2019, quashed the judgement holding that the notice periods granted by Bouygues Telecom were sufficient. Tel and Com has lodged an appeal against this judgement, with the *Cour de cassation*. These proceedings are continuing.

Bouygues Telecom is a party in proceedings brought by the French Economy Minister against Apple in the Paris Commercial Court against some clauses in the contract to supply handsets between Apple and Bouygues Telecom. The case is continuing.

A US company that manages a patent portfolio filed claims against Bouygues Telecom in October 2017, and then in January 2018 in the Paris District Court alleging infringement of three patents it claims to own and which are allegedly used in the equipment in its DSL and 4G networks. The plaintiff company is at the moment asking for further information and is claiming financial compensation from Bouygues Telecom. Bouygues Telecom and its equipment suppliers involved in the law suit are contesting the plaintiff company's claims, and in particular the validity of the patents, The court stayed the proceedings in April 2019, pending a decision by the European Patents Office on the validity of one of the patents. The two other actions are continuing.

4.2.5.4 Radio waves

In May 2020, a collective of 500 natural persons served summonses in summary proceedings on the four mobile network operators (Orange, SFR, Bouygues Telecom and Free Mobile) before the Paris Judicial Court requesting the appointment of a judicial expert to assess the impact of 5G on health, the environment and privacy. Bouygues Telecom made submissions concerning the judicial judge's lack of jurisdiction in favour of the administrative judge, the inadmissibility of the claim and the lack of a legitimate reason justifying the expert's appraisal. The decision is expected on 16 March 2021.

4.3 VIGILANCE PLAN

France's corporate duty of vigilance law no. 2017-399 passed on 27 March 2017 requires certain companies, including Bouygues SA, to draw up and implement an effective vigilance plan, setting out the reasonable vigilance measures taken to identify risks and prevent serious violations of:

- human rights and fundamental freedoms;
- health and safety of people;
- the environment, resulting from the operations of the company and its subsidiaries; and
- the operations of subcontractors or suppliers with which they have an established business relationship.

These issues are a matter of great concern within the Bouygues group. Respect for people and the environment is a fundamental value for the Group and is embodied in specific provisions of its Code of Ethics. The Code of Ethics was revised in 2017, among other things to include this duty of vigilance. It is updated regularly and is available on both the Bouygues SA website and intranet site.

In addition, Bouygues' Human Resources Charter seeks to protect the health and safety of its employees.

A Group-wide CSR Charter for Suppliers and Subcontractors, which was updated in 2019, sets out the key commitments required of suppliers and subcontractors wishing to work with the Group. It is a key driver of the Bouygues Group's CSR policy.

In addition to the arrangements organized by Bouygues SA, each business segment has a CSR policy adapted to its own issues, mainly in the form of CSR roadmaps and Quality, Safety and Environment initiatives to take into account the specific features and impacts of its activities.

2020 was affected by the Covid-19 pandemic both in terms of progress in the actions planned for the year and in identifying the risks to the health and safety of people.

Nevertheless, the inter-business segment working group set up in 2019 continued its work during 2020.

This Bouygues SA vigilance plan covers Group companies and therefore the operations of its five business segments (Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom). It also covers the operations of suppliers and subcontractors with which the Bouygues group has an established business relationship, where those operations arise from that relationship.

Its content is based on contributions from representatives of the CSR, Legal, Purchasing, Human Resources, Health & Safety, and Internal Audit and Control departments of the business segments.

A summary of that work is presented below for each business segment. It describes the main risk factors, the key prevention or mitigation measures already in place and any additional measures to be taken, which together constitute the appropriate actions required by the law to mitigate the risks or prevent serious violations.

4.3.1 Bouygues Construction

Governance

Bouygues Construction's governance system comprises the CSR, Health & Safety, Purchasing, Legal, Internal Audit and Control, and Human Resources departments. A vigilance steering committee comprising representatives from those departments meets twice a year. A team of three people from the CSR, Internal Control and Legal departments also coordinates initiatives and monitoring of action plans approved by the committee.

Lastly, the risks and prevention or mitigation actions already taken by Bouygues Construction are presented annually to the Management Committee.

Risks and actions already taken

There were two significant events for Bouygues Construction in 2020. First, a cyber-attack blocked a large part of its information system for several weeks and, second, the Covid-19 health crisis temporarily halted its activities in most of the countries where it operates. These two events had the effect of (i) postponing some prevention or mitigation actions originally planned for 2020, and (ii) preventing the optimal roll-out of some initiatives. Regarding the Covid-19 pandemic, health and safety protocols were put in place across all Bouygues Construction's activities to limit the health impacts on its employees, temporary staff and subcontractors.

Bouygues Construction nonetheless continued to roll out actions already taken to address the risks identified in this vigilance plan through the following cross-disciplinary initiatives:

- The internal TopSite labelling scheme covers Health & Safety, Environment, Human Resources, Societal, and Quality & Customer Involvement issues. All construction projects lasting more than six months and worth over three million euros must apply for the TopSite label.
- The CSR charter for Bouygues suppliers and subcontractors is systematically appended to orders and contracts managed by the Purchasing department. The charter imposes certain requirements and failure to comply can lead to measures that may go as far as contract termination.
- Afnor's Acesia platform, used to evaluate the CSR performance of suppliers and sub-contractors, is regulated by a master agreement with Bouygues Construction.

Bouygues Construction also makes sure that suppliers comply with their CSR obligations through external audits gradually carried out at the premises of suppliers identified as at risk. Specific actions are taken to address the risks identified in the table below.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Human rights and fundamental freedoms	
Child labour **Forced labour**	• The entities perform identity checks at their construction sites, including subcontractors' employees. • The TopSite internal labelling scheme requires construction sites to implement checks to make sure that none of the Group's or its subcontractors' employees are in a situation of forced, undeclared or child labour. • Bouygues Construction's "Living quarters guidelines" do not allow identity papers to be confiscated. • Bouygues Construction also uses *"Attestation Légale"*, a platform for collecting administrative documents (some of which concern the prevention of illegal labour), to make sure that its subcontractors comply with their French legal obligations.
Non-compliance with local labour law	• Due to its many locations worldwide, Bouygues Construction has to ensure that it complies with local labour law as regards its employees, through local Human Resources managers in its entities. Where local law requires, checks are also performed by the contractor. • This worldwide presence leads to significant disparities in terms of employee benefits and Bouygues Construction is therefore working on introducing minimum standards. In 2020, this led to the roll-out of the BYCare programme.
Quality of life and living quarters for site workers working away from home	• Regarding the quality of living quarters provided to site workers on international construction sites under its responsibility, Bouygues Construction complies with the minimum standards set out in the ILO[a] recommendations. Regular inspections are carried out and compliance with these standards is a mandatory criterion for obtaining the TopSite label.
Personal data breaches	• Protection of personal data, whether concerning Bouygues Construction employees or third parties, is covered by a governance programme. • A specific tool is used to comply with the documentary and accountability requirements set out in the GDPR. • Bouygues Construction has appointed Data Protection Officers for its activities that need it or designated Privacy Managers when an official appointment is not necessary. • E-learning in three languages is now available throughout Bouygues Construction to raise employee awareness. • Bouygues Construction has sent the CNIL[b] its Binding Corporate Rules (BCR) for certification.
Health and safety	
Security breaches	• A specific organization structure is in place to ensure the security of employees working on construction projects in France and abroad. • The security policy is based on supervision, analysis, training and monitoring of employees in sensitive geographies. It includes arranging medical evacuation where necessary. • Any plans for a project in a country where Bouygues Construction does not yet operate must first be approved through a new country procedure, which includes a review of the security environment.
Workplace accidents	• Bouygues Construction has a Health & Safety policy to prevent and mitigate the risk of workplace accidents, which is applied in all entities. • The policy is rolled down to all operating entities and subsidiaries through health & safety management systems, most of which are certified compliant with international standards or ISO 45001 by an independent auditor. Occupational risk prevention and health protection plans are drawn up, which include the rules set out in the twelve "Health & Safety Fundamentals" defined by Bouygues Construction and applied at all construction sites. These rules include: ▪ a policy on the systematic wearing of personal protective equipment (PPE); ▪ listing and standardization all materials authorized in France; ▪ health and safety training for key people; ▪ specific measures for temporary employment agencies in France; and ▪ monitoring the application of these measures through an accident and incident reporting procedure used industry-wide.

(a) International Labour Organization.
(b) France's Data Protection Authority.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Occupational diseases	• Bouygues Construction and its entities have established a multi-year plan to reduce arduous working conditions. The plan is currently being rolled out and is consistent with the company's health and safety management systems. It includes: ▪ drawing up and rolling out ergonomic risk training and awareness plans; ▪ research on and improvements to handling equipment to help prevent musculoskeletal disorders (exoskeletons, new form panel, etc.); ▪ a reinforced policy for combating addictions, particularly to alcohol and drugs; and ▪ developing digital tools, particularly for assessing ergonomic risks.
Environment	
Pollution caused by directly by site operations (carbon, waste, water, etc.) and in surrounding areas (noise pollution, air quality, biodiversity, wastewater, etc.)	• A central "Responsible and Committed" CSR policy, with four of the twelve commitments covering the environment and Bouygues Construction's environmental impact: carbon strategy, biodiversity, responsible sourcing and supply chain (timber), circular economy. • ISO 14001 certification, which is an extra-financial performance metric measured as part of the annual extra-financial reporting process. ISO 14001 certifies that Bouygues Construction's activities are subject to an environmental management system to ensure that environmental risks are identified and properly managed as necessary. • TopSite labelling scheme requiring a documented environmental on-site analysis with an associated prevention plan, tracking of energy consumption, analysis of water consumption, monitoring of waste and of impacts on neighbouring areas (noise pollution, biodiversity). It is an important driver and means of preventing environmental risk. • A new climate roadmap designed to reduce the intensity of Bouygues Construction's greenhouse gas emissions by 2030. It will be monitored using a carbon scorecard covering all actions and including monitoring metrics. The scorecard will be reviewed annually by all management committees.

Action plans and areas for improvement

In 2021, Bouygues Construction intends to improve and strengthen existing actions already taken in 2020, mainly through the internal TopSite labelling scheme and by working with subcontractors and suppliers (through the Acesia platform, disseminating the CSR charter and external audits of at-risk suppliers).

4.3.2 Bouygues Immobilier

Governance

Bouygues Immobilier has a vigilance plan monitoring committee comprising representatives from the Compliance, CSR and Internal Control departments, as well as risk contributors and owners (Purchasing, Human Resources, QSE and Data Protection Officer). The Ethics and Patronage Committee reports on the vigilance plan.

In addition, the risks and prevention or mitigation actions described in the table below have been presented to the company's General Management Committee.

Risks and actions already taken

Several cross-disciplinary procedures and practices continue to be rolled out:

- The CSR charter for Bouygues suppliers and subcontractors is appended to orders and contracts managed by the Purchasing departments. The charter imposes certain requirements and failure to comply can lead to measures that may go as far as contract termination.
- The EcoVadis scorecard is used to evaluate the CSR performance of its main suppliers under a master agreement with Bouygues Immobilier.

Furthermore, specific actions are taken to address the risks identified in the table below.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Human rights and fundamental freedoms	
Breach of fundamental rights, in particular undeclared labour or illegal posting of workers	• Training in management, scheduling and techniques. • Testing digital control solutions, such as "Activigie" in the Paris and Bordeaux regions.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Personal data breaches	• Processing registers held for Bouygues Immobilier and its subsidiaries. • Impact analyses performed for Bouygues Immobilier. • Compliance work based on retention and deletion standards for personal data of customers and prospective customers held in the CRM system. • Raising employee awareness, mainly through two e-learning modules which are mandatory for employees with access to personal data. • Rolling out measures to prevent cyber-attacks: ▪ strengthening the existing information security plan; ▪ cybersecurity e-learning module introduced in June 2020; ▪ addition of a functionality for commercial advisers and managers to ensure that the details of customers and prospective customers cannot be exported from the CRM system.
Breach of ethical and purchasing rules in relations with suppliers and contractors	• Ethics training through e-learning for all employees (including the Purchasing managers). • Harmonization of ethics and compliance clauses in standard contracts.
Health and safety	
Serious breach of the health and safety of people on work sites	• Structural audit performed, including checks on CSPS[a] contracts. • Training Bouygues Immobilier employees in two key departments in their responsibilities as project owner. • Regarding the Covid-19 pandemic: ▪ training and raising awareness of Covid-19 liaison officers and systematic presence of a prevention officer[b] on work sites; and ▪ centralized oversight of health conditions.
Serious breach of the health and safety of employees	• Training site managers (employer's safety obligation, harassment and psychosocial risks) and self-assessments. • Bi-Well: workplace stress prevention initiative (including extending the Stimulus help line and webinars for employees and managers on returning to work after lockdown and furlough). • Regarding the Covid-19 pandemic: ▪ three protocols implemented and applied: sites/work spaces, work sites, customer experience; ▪ a protocol for reporting and isolating close contact cases and people with Covid-19 symptoms implemented and its application monitored; ▪ training and awareness-raising for Covid-19 liaison officers at each site (site managers); ▪ special Intranet page to provide employees with information about the rules and protocols to be observed, together with a FAQ page.
Environment	
Soil pollution	• Dissemination of a memo on the re-use of excavated spoil on-site and management and tracking of excavated spoil off-site in construction or redevelopment projects.
Impact of activities on the climate	• Training in climate and carbon issues for all employees. • Dissemination of 18 low carbon worksheets for use in housing development operations.
Biodiversity erosion	• A new biodiversity strategy, impact measurement metrics and specifications for technical solutions.

Action plans and areas for improvement

To mitigate the risk of undeclared labour or illegal posting of workers, Bouygues Immobilier will evaluate the outcome of the "Activigie" test with a view to extending it to other areas. Operational staff will also receive training in this risk.

Bouygues Immobilier plans to take several measures to mitigate the risk of personal data breach:

- strengthening cyber-attack detection capabilities at information systems level, mandatory cybersecurity e-learning module and anonymization of acceptance databases; and
- a new employee awareness campaign with reinforced actions for new employees.

Regarding compliance with ethical and purchasing rules in relations with contractors and suppliers, Bouygues Immobilier intends to take the following action:

- roll out its revised Purchasing policy with the aim of optimizing quality, cost and lead time criteria;
- raise the awareness of Purchasing managers through regular reminders of the measures in place;
- train new employees in the Purchasing policy.

(a) Safety and health protection coordinators.
(b) The Covid-19 prevention officer's role is to identify the risks on the work site, and to plan, implement and control prevention measures.

An action plan has also been requested from companies whose EcoVadis ratings are too low. Bouygues Immobilier plans to exclude suppliers that do not make sufficient progress from year to year.

Regarding the risk of serious breach of the health and safety of people on work sites, Bouygues Immobilier plans to begin digital audits of the twelve health and safety fundamentals, which will be carried out by the safety and health protection coordinators (CSPS).

Regarding serious breach of the health and safety of employees, training of site managers and safety training will be continued.

Bouygues Immobilier will continue to apply the Covid-19 prevention system on its premises and work sites, and throughout the customer journey.

Regarding the impact of activities on the climate, Bouygues Immobilier will roll out its carbon roadmap, continue to train employees in carbon and climate issues and adapt its internal tools to the 2020 environmental regulation ("RE2020").

Lastly, Bouygues Immobilier will roll out its new biodiversity strategy by 2025.

4.3.3 Colas

Governance

Colas has a governance system comprising the Sustainable Development and Innovation departments (including Environment, Health & Safety, Security and CSR), and the Legal and Compliance, Human Resources and Purchasing departments. Policies and actions plans are drawn up by Colas SA in conjunction with the entities and rolled out by the geographic entities or BUs[a].

Risks and actions already taken

In 2020, Colas SA continued its risk assessment in the areas of human rights and fundamental freedoms.

The CSR charter for Bouygues group suppliers and subcontractors continues to be appended to orders and contracts.

Furthermore, specific actions are taken to address the risks identified in the table below.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Human rights and fundamental freedoms	
Harassment and discrimination	• Rolling out training and awareness-raising about these risks. • Rolling out a diversity promotion initiative. • "Liaison officers" appointed to combat sexual harassment and sexist behaviour (France).
Excessive working hours	• Monitoring of hours worked on sites. • New payroll and HR monitoring tools ("Colasway" project) and systematic double checking when digitalization is difficult. • Training payroll managers.
Quality of life and living quarters for site workers	• Compliance with ILO recommendations. • Improvements to site facilities and equipment. • Audits of health standards and compliance work on site bungalows, standardization of facilities at major sites. • Audits of security contracts (e.g., caretaking). • Revision of security and crisis management plans.
Inadequate local labour law	• Establishing standard minimum employee benefits. • Listing and worldwide mapping of benefits: death, illness and disability, health, accident, retirement, maternity. • Introduction of a death in service benefit (BYCare programme designed to remedy the lack of death and disability insurance in some countries).
Health and safety	
Workplace accidents	• Safety culture initiatives: Goal Zero in the United States and Canada, ICSI for Spac and One Safety for the France division and Colas Rail. • Launch of "Colas group safety rules". • A "safety induction" process for all new arrivals and for people going to work on a site. This training takes place either using a specific software application or materials distributed at Colas group level. It is supported by an on-site safety induction course run by the site manager. • Safety training sessions (new arrivals, site management, site workers, health and safety officers) through Colas campus programmes and regulatory training (CACES, AIPR, etc.) in the field. • Work site and site meetings on tasks to be performed, health and safety issues, and prevention methods at least weekly (Starters and Safety Meetings).

(a) Business Units.

Key risks	Prevention or mitigation actions initiated or continued in 2020
	• Annual Safety Week (2020 theme: introduction of "Colas group safety rules"). • In the event of a fatal accident, performing a "root cause" analysis and issuing a safety warning to managers. The aim is to recap watch points, best practices and instructions to be observed. • Monthly reporting (in particular the number of workplace accidents), internal audits (e.g., inter-subsidiary cross audits) or external audits (e.g., CSR audits by EY). • Occupational risk assessment carried out by each site. • Distribution of personal protective equipment (PPE) to all new employees. • Testing for abuse of alcohol or drugs on-site.
Occupational diseases	• Assessment of chemical risks. • "Safety induction" process (see above). • Installation of collective protection systems (e.g., sprinklers to capture dust at source). • Distribution of additional PPE depending on the chemical risk (e.g., FFP3 masks). • Training in correct posture and movement to reduce the risk of occupational illness. • QSE departments approve the safety factsheets for chemical products in purchasing master agreements before they are published in the COUPA catalogues or before their use. • Regarding the Covid-19 pandemic: ▪ worldwide health monitoring system put in place in the first week of January 2020; ▪ multi-disciplinary task force created for crisis management; ▪ business continuity plans triggered with emergency instructions given to managers and described in presentations given by the Security and Crisis Management department; ▪ introduction of health protocols to enable work to continue; ▪ digital app to monitor confirmed close contact cases, hospitalizations and deaths; ▪ benchmarking and cooperation with 47 multinational companies.
Environment	
Industrial risk (explosion, fire and accidental spillage)	• Reporting and analysing information about the risk of workplace accidents, corresponding measures taken by on-site operational staff. • Drawing up recommendation factsheets on asphalt mixing plants, storage tanks, etc. • Sharing feedback from an industrial risk committee comprising the Equipment, Technical, Environment, Safety and Risk, Insurance and Internal Audit departments.
Water and soil pollution	• Rolling out "Environment" checklists for environmental self-assessment of Colas fixed sites (quarries, asphalt mixing plants, emulsion plants, workshops, laboratories, etc.). • Introducing an indicator on control of aqueous waste. • First pilot audits on the duty of vigilance carried out at a modified bitumen plant and a major Colas worksite. • Action plans for sites covered by the Colas vigilance plan based on the most important criteria (storage and use of hazardous materials, use of sulphur, Seveso sites, etc.). • QSE departments approve the safety factsheets for chemical products in purchasing master agreements before they are published in the COUPA catalogues or before their use.
Impact of activities on the climate	• Scenario analysis of risks and opportunities related to the low carbon transition. • Climate roadmap drawn up to reduce the intensity of Colas' greenhouse gas emissions by 2030 (action on direct and indirect emissions related to the value chain). • Creating a carbon strategy committee to oversee the drawing up and roll-out of the roadmap.
Impact on biodiversity	• A biodiversity action policy for quarries. • Continued partnership on biodiversity with the FRB[a] and participation in the young researcher awards. • Drawing up environmentally themed factsheets for employees to encourage actions in favour of biodiversity at fixed sites.

Action plans and areas for improvement

Regarding the risk of workplace accidents, Colas intends to roll out the One Safety initiative in all the geographies covered by the France division, in some European geographies and in Colas Rail. The "Colas group safety rules" will also be rolled out across the entire Colas group.

Continued "posture and movement" training is planned to reduce the risk of occupational illness.

Colas will disseminate the new policies and measures to combat harassment and discrimination.

Worldwide death and disability insurance and maternity benefits, better than or at least equal to local requirements, will also be provided.

(a) French Biodiversity Research Foundation.

Regarding the current health crisis, Colas intends to strengthen the action taken by the Health & Safety department, more closely monitor minor signs of the Covid-19 pandemic and cooperate with universities and the WHO (intelligence and cooperative exchange).

An "Environment Day" will be devoted to climate and biodiversity issues. During 2021, all sites exposed to physical climate risks will be mapped. Themed factsheets on the impact on biodiversity will be rolled out and employees will be trained in and made aware of this issue.

Lastly, regarding pollution risk, audits will be performed and specific action plans drawn up for the sites concerned.

4.3.4 TF1

Governance

TF1 has a vigilance plan monitoring committee supported by a network of liaison officers mainly comprising representatives from the CSR, Internal Control, Compliance and Legal departments, as well as risk contributors and managers (Purchasing, Human Resources and Data Protection Officer). A project team has been set up to monitor progress in actions identified.

Risks and actions already taken

TF1 continues to implement the cross-disciplinary assessment of suppliers' CSR performance using the EcoVadis scorecard.

Furthermore, specific actions are taken to address the risks identified in the table below.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Human rights and fundamental freedoms	
Violation of human rights when providing services (non-production) or purchasing technological products	• Requirement for suppliers and sub-contractors to make contractual commitments ("Ethics and Compliance" clause). • "Responsible purchasing" guidelines drawn up by the group-wide Purchasing department including: ▪ assessment of the environmental and social performance of suppliers using the EcoVadis scorecard, and an action plan required from those with an unsatisfactory score; ▪ completed CSR questionnaire (self-assessment of human resources, social and environmental issues) required from all suppliers responding to a bid invitation from the group-wide Purchasing department; ▪ identification of contracts for which "socially responsible" purchases can be developed (e.g., 2020-2022 agreement with the trade unions for the inclusion and ongoing employment of people with disabilities, TF1's priority on disability and inclusion to be included in bid documents, the CSR questionnaire to contain social criteria related to disability and inclusion, promoting purchases eligible for co-contracting for bids submitted with a company in the disability sector). • Annual inspection required to retain the "Responsible Supplier Relations and Purchases" label successfully passed in 2020.
Violation of human rights when broadcasting programmes, content or TV news reports	• Regarding advertising: ▪ on-line FAQ on advertising regulations and regular training provided by the Legal department; and ▪ TF1 Publicité participates in the ethics and compliance framework within ARPP[a] and the main joint organisations (Syndicat National de la Publicité Télévisée, Centre d'étude des supports de Publicité, EDI Pub). • Regarding TV news reporting: ▪ approval process for topics before they are broadcast (viewing, blurring, etc.); ▪ training for TF1 and LCI reporters provided by the Legal department on the principles of press laws, personal image and privacy rights, surreptitious advertising, and CSA[b] regulations. • Regarding TF1 children's programmes (Tfou Max VoD service): ▪ viewing of all purchased children's series by a child psychologist and upstream collaboration with the artistic team for series co-produced by the channel; ▪ content and community site moderation.

(a) The French Advertising regulator.
(b) The French Broadcasting authority.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Personal data breaches	• A network of 54 liaison officers for TF1 and Newen coordinated by the Data Protection Officer (DPO). • A DPO appointed in March 2020 for all entities and companies belonging to the Unify group. • Internal general policy on personal data protection comprising 15 general principles, practical business segment factsheets, procedures (management of personal rights, CNIL inspection, management of data breach incidents, etc.) and databases (retention periods, subcontractor checklist, etc.). • Management tool for updating registers and requests to exercise rights, etc. • Continued training and awareness actions within TF1 group's various business lines. • Use of standard contracts/clauses to govern aspects related to personal data protection with customers and partners (including Data Processing Agreements[a] and safety schedules). • Roll-out of the second version of IAB Europe's[b] Transparency and Consent framework[c].
Health and safety	
Health and safety of people working on TF1 sites	• Continuation of the safety action plan implemented in 2018 in the Boulogne-Billancourt *Tour* and *Atrium* buildings: ▪ physical security improvement work, such as reinforcing access points, anti-ram vehicle barriers and burglar deterrents; ▪ strengthening its dedicated, fully trained staff, particularly the fire and security teams, with an additional level of expertise (training of all security guards in self-defence with regular on-site drills, equipment review, damage control training for all safety, fire and first aid staff); ▪ strengthening technological resources over a three-year period from 2019 (total overhaul of the CCTV and facial recognition systems, total overhaul of the fire detection system, etc.). • Regarding psychosocial risks, implementing a health and stress monitoring system, training and awareness-raising in these risks (managers, HR), a procedure for identifying and dealing with complaints for sexual or moral harassment, sexist behaviour and violence in the workplace appended to the internal regulations, and a network of trained liaison officers for harassment and violence in the workplace. • Regarding the Covid-19 pandemic: appointment of a Covid-19 officer, disciplinary measures for violations of safety precautions and screening offered on-site (serology, antigen and PCR tests).
Risk to the safety and/or health of people during the group's activities at non-TF1 sites	• Contractual undertakings to ensure the health and safety of people by the other contracting party. • Equipment compliance inspections by accredited organisations (electrical installations, resistance of materials, etc.). • Presence of an emergency doctor for some programmes. • "Safety in production" training. • Regarding live broadcasting: broadcast delay of several minutes and presence of safety teams. • A Covid-19 protocol drawn up by an independent specialised firm, support and implementation of recommended measures, presence of a nurse and doctor to perform PCR tests.
Risk to the safety of reporters and technical support staff working in conflict or risky zones	• Provision of appropriate equipment and applications, support for the teams, specific training and additional liability insurance.[d]
Violation of consumer health due to the use of a service or product distributed by the TF1 group	• Conformity tests (French and European standards) performed by external service providers (inspection firms, consultancy firms) • For Unify websites, editorial committees and, for Doctissimo, a medical committee.
Environment	
Risk of environmental impact due to the supply chain for products, services and programmes ordered or produced by the TF1 group	• Roll-out of a purchasing process and a contractual policy. • "Responsible purchasing" guidelines drawn up by the group-wide Purchasing department (see above).
Impact of activities on the climate	• Road map drawn up to reduce to intensity of TF1's greenhouse gas emissions by 2030. • Founder partner of the Ecoprod collective, which supplies a carbon footprint calculator ("Carbon' Clap") and practical factsheets describing the eco-behaviour and actions to be observed. In 2020, Ecoprod funded a study on the carbon impact of the television broadcasting sector. • Within Newen, creation of the Green Newen committee whose role is to step up action to reduce the carbon footprint of production sets.

(a) Agreement setting out the rights and obligations of the parties regarding personal data protection.
(b) Interactive Advertising Bureau.
(c) Framework organizing the communication to all parties involved in programme advertising of consumer consent for the delivery of relevant online advertising and content.
(d) For reasons of employee safety, these measures cannot be described in more detail.

Action plans and areas for improvement

In 2021, the TF1 group plans to improve and strengthen existing actions initiated in 2020.

Regarding the violation of human rights when providing non-production services or purchasing technological products, TF1 intends to include monitoring of new disability and inclusion indicators as well as CSR requirements in its specifications (e.g., SA8000 certification or CSR pledge for sourcing raw materials), and to take these criteria into consideration when selecting the supplier.

Regarding the risk to the health and safety of people working at TF1 sites, the safety measures to prevent a break-in at the head office will be strengthened.

To mitigate the risk to consumer health of using a service or product distributed by the TF1 group, TF1 will continue to roll out its product conformity plan and will perform random checks to ensure that it is properly applied.

The main focus of the energy and climate roadmap is eco-production through actions to raise the awareness of programme providers, and in-house training to reduce the carbon impact of productions.

4.3.5 Bouygues Telecom

Governance

For the second consecutive year, the CSR and Legal departments had joint responsibility for running the vigilance steering committee, which includes representatives from the Purchasing, Human Resources and Health & Safety, Regulatory Affairs and Risk departments.

This cross-disciplinary committee exchanges views and information about various risks. The shared risk mapping exercise has created a genuine cross-disciplinary approach to risk assessment. The risks and prevention or mitigation measures described below were presented to the Executive Committee.

Risks and actions already taken

The cross-disciplinary procedures and practices already in place continued to be implemented:

- The CSR charter for Bouygues suppliers and subcontractors is appended to orders and contracts managed by the Purchasing departments. It is also included in the terms and conditions of purchase referred to on all orders. The charter imposes certain requirements and failure to comply can lead to measures that may go as far as contract termination.
- An EcoVadis assessment of the CSR performance of all eligible Bouygues Telecom suppliers based on the CSR risk mapping by purchasing category; and
- External audits at sites identified as high-risk.

Furthermore, specific actions are taken to address the risks identified in the table below.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Human rights and fundamental freedoms	
Risk of violation of human rights (child labour, forced labour, compensation, disciplinary practices, working time and paid leave, health and safety of subcontractors, etc.): • **in plants that manufacture Bouygues Telecom brand products;** • **in plants that manufacture handsets; and** • **in offshore call centres**	• Letter sent to suppliers that have not replied or have refused to reply to the EcoVadis assessment request. • Annual CSR, documentary (EcoVadis) and physical (SGS) audits for eligible suppliers based on the CSR risk mapping by purchasing category. When results are unsatisfactory, suppliers are required to implement remedial action plans (which are monitored monthly) and follow-up audits or reassessments are performed. • A question on the EcoVadis rating included directly in the purchasing system for better consideration of CSR in bid invitations, and requirement for suppliers of purchasing categories at risk to be assessed if they do not have a rating or the rating is inadequate.

Key risks	Prevention or mitigation actions initiated or continued in 2020
Risk of violation of human rights related to the sourcing of conflict minerals used to manufacture electrical and electronic equipment (routers, network equipment, etc.)	• After sending letters in 2019 to the main suppliers of electrical and electronic equipment asking them what action they had taken to prevent the risk of violation of human rights related to the sourcing of conflict minerals used to manufacture electrical and electronic equipment, the replies obtained were analysed in 2020 and additional questionnaires sent out where necessary. • Questions about minerals sourced from conflict zones included in the specifications for bid invitations for strategic electrical and electronic equipment.
Personal data breaches	• Continued roll-out (until early 2021) of a CMP[a]. • Continuation of information systems security projects and reinforced pentests. • Roll-out of an e-learning project mandatory for all staff.
Health and safety	
Security of store staff: risk of external violence	• Continued measures to improve store security, in particular the back offices, based on a risk assessment: CCTV cameras, strong boxes, security fog system, GPS trackers, etc. • Presence of a security guard in the stores, provision of an emergency telephone number. • Security training for staff.
Health risks due to the Covid-19 pandemic	• Multi-channel information provided to all staff, adaptation of premises and reorganization of working methods. • On-site virology and serology testing, monitoring of detected cases and close contacts. • A strengthened health protocol in the stores. • Regarding service providers working on the company's premises, information about health instructions and provision of surgical masks. • Update of prevention plans for installation and operation works.
Risk of workplace accident for subcontractors when installing 5G and FTTH[b]	• Risk analysis prior to any large-scale replacement and installation of 5G masts and/or installation of thousands of sockets for fibre. • Training operators.
Risk of non-compliance with radio-frequency exposure limits for radio stations and radio equipment sold by Bouygues Telecom	• Roll-out of internal procedures to ensure strict application of the regulations on public radio-frequency exposure. • Update and roll-out of technical specifications for the location of 2G, 3G, 4G and 5G masts. • Updated information on radio equipment exposure levels (SAR[c] head, trunk and limbs) in all distribution channels. • Monitoring and control of atypical points (exposure over 6V/m). • New measures were taken in 2020 for the introduction of 5G: ▪ updating technical specifications for the deployment of radio sites (site demarcation and safety perimeter); ▪ updating rules for selling radio equipment; ▪ updating rules on providing information about the SAR of mobile phones; ▪ using these specifications to draw up operational technical instructions; ▪ taking exposure measurements during 5G trials; and ▪ informing the public through a web site dedicated to the effects of radio waves (explanations, opinions of health authorities)[d]; a 5G web site with a link to the abovementioned web site. • Regarding radio equipment, implementing the new regulatory provisions on displaying mobile phone exposure levels. • Regarding mobile phone masts, roll-out of safety perimeters at the first 5G sites. • All employees provided with a personal dosimeter, worn on a belt.
Environment	
Impact of activities on the climate	• Carbon accounting since 2007 across all scopes, with a full update of the carbon report in 2020. • Climate roadmap and strategy drawn up out to 2030 (with annual performance metrics). • Workshops organized with suppliers of fixed products and telecoms equipment to identify levers and reduce the environmental impact of those products, particularly in terms of carbon.
Environmental impact of telecoms sites	• Roll-out of energy savings functionalities at radio sites to optimize the electricity consumption of some telecoms installations. • Measures to optimize the operating life and end-of-life recycling of telecoms equipment through a policy of compulsory repurchase with a view to their re-use (reconditioning) or recycling. • Purchasing second-hand equipment for network deployment and maintenance. • Logistical optimization of the mobile network deployment chain, from design to installation. • Continuing agreement to share 2G, 3G and 4G networks with SFR in less densely populated areas.

(a) Consent management platform.
(b) Fibre-To-The-Home.
(c) Specific absorption rate.
(d) https://www.corporate.bouyguestelecom.fr/nos-engagements/effets-des-ondes/

4

Action plans and areas for improvement

Regarding the risk of non-respect for human rights, Bouygues Telecom intends to continue its analysis of conflict minerals, with additional questions on the minerals contained in its main products.

Regarding the risk of personal data breach, Bouygues Telecom intends to strengthen the processes with its subsidiaries and continue the processes with its subcontractors.

Regarding the health and safety of people in its stores, Bouygues Telecom plans to provide staff training in conflict management (which was suspended in 2020 due to the health crisis) and to continue rolling out its programme to improve the physical security of its stores.

Virology and serology Covid-19 testing at its sites will continue in 2021. The processes put in place to mitigate the risk of accident during deployment of 5G and FTTH, as well as the risk of exposure to radio-frequencies, will also be continued. As of 2021, Bouygues Telecom will initiate new projects and commitments identified to respond to the current climate issues. Bouygues Telecom plans to strengthen its action to optimize the operating life of its equipment and the energy efficiency performance of its telecoms installations. It also plans to strengthen the environmental criteria in its purchasing policies and to analyse the life cycle of its suppliers' products and services. Lastly, all relevant employees will receive training in eco-design as well as awareness-raising of climate issues through the "La Fresque du Climat" workshop.

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4.3.6 Whistleblowing mechanism

A whistleblowing system was introduced in 2006 for Bouygues SA and the Group's five business segments and is included in the Code of Ethics.

The system was supplemented and updated to take into account legislative changes introduced in the law of 9 December 2016 (the Sapin 2 law) and the law of 27 March 2017 requiring the preparation and implementation of a vigilance plan. It now forms part of the Bouygues group's Code of Ethics and an appendix to the Code of Ethics, which is available on the intranet sites of Bouygues SA and the business segments, and on the corporate website bouygues.com. The appendix describes the procedure for raising and processing whistleblower alerts.

This procedure applies to all Group business segments and entities. It is a single mechanism encompassing all situations that might give rise to an alert as provided for by French law. The procedure was drawn up after consultation with Bouygues SA's trade unions.

In 2018 the Group set up an online platform to make it easier for whistleblowers to use the system. The platform is available at the following address: https://alertegroupe.bouygues.com/. It can be used by employees and external or occasional workers to report breaches and/or violations of the Group's compliance programmes using a login and password. Whistleblowers must act disinterestedly and in good faith, and must have witnessed the reported events first hand. They may choose to alert the business segment Ethics Officer or, if they believe that the situation goes beyond the scope of the business segment, they may raise the alert directly with the Group Ethics Officer. The Ethics Officers are bound by a heightened duty of confidentiality.

Furthermore, the Group has communicated broadly and raised awareness about the whistleblowing system through its various social media, specific articles in the Group's internal magazine, inclusion in the various internal training initiatives, and a dedicated page on the Group's Intranet. Information on the whistleblowing procedure is also available on the Group's corporate website in the appendix to the Code of Ethics.

4.3.7 Monitoring the vigilance plan

The Bouygues group has set up an internal control and risk management system, the main components of which are described in section 4.4.2 of this document. These principles apply to all the Group's business segments and may be supplemented at business segment level to take into account any specific requirements of each business activity.

This system will include self-assessments at business segment level enabling the operating entities to assess how well the measures in the vigilance plan have been applied. Action plans are then implemented where necessary. The monitoring system also includes annual reporting on key information in the three areas addressed by the law of 27 March 2017.

Regarding suppliers and subcontractors, the monitoring system covers both the results of self-assessment questionnaires and the assessments carried out by EcoVadis, Acesia or any other external service provider. They are supplemented as required by the results of audits and controls performed by the business segment in accordance with the provisions of the Bouygues Group's CSR Charter for Suppliers and Subcontractors.

Based on the conclusions of the monitoring measures taken, each business segment assesses the effectiveness of its risk prevention or mitigation measures and completes or adapts the system as required.

4.4 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

4.4.1 Introduction

Bouygues and its five business segments are acutely aware of the importance of internal control and risk management. These processes help give reasonable assurance as to the achievement of the Group's principal objectives.

Risk management has always been an essential part of the Group's corporate culture. It is a key concern of the Group's managers and is based on internal control systems inspired by principles that have been applied across the Group's business segments for many years.

This is especially the case as regards the preparation and processing of accounting and financial information, given that the quality and reliability of the Group's accounting documents and the financial information communicated to investors may be of great importance.

The scope of this report covers the Bouygues group (parent company, Bouygues Construction, Bouygues Immobilier, Colas, TF1, and Bouygues Telecom).

4.4.2 Bouygues group internal control and risk management

The Internal Control and Risk Management Reference Manual of the Bouygues group is based on the reference framework published by the AMF in 2007.

The Manual was first updated in 2010 after the AMF reference framework was revised to accommodate changes in laws and regulations on risk management as well as the AMF Recommendation on audit committees.

It is regularly amended and improved to take account of changes and to reflect feedback from the business segments.

The Reference Manual covers the general principles of internal control and risk management, and internal control principles relating to accounting and finance. The main objectives are to:

- define the Group's key internal control principles;
- better identify common best practices across its business segments; and
- develop a consistent approach to major issues affecting the entire Group.

Each business segment has further developed this Group-wide approach by analysing the specific aspects of its own internal control system and supplementing the Manual with principles specifically related to its own activities, especially on accounting and financial matters.

The Reference Manual includes a section on "Risk management principles and methods" that encompasses the key stages of risk management: identification, classification, assessment, prioritisation, processing, reporting and communication.

The business segments use this approach to check, on a regular basis, the degree to which they are applying internal control principles relating to accounting and financial matters.

The accounting and financial internal control self-assessment campaigns conducted within each business segment focus on the risks and challenges identified at both Group and business segment level.

In 2020, each business segment completed the self-assessment of the general principles determined by the Group by adding issues of their choice to reflect their own perceptions of risk. Examples of accounting and financial issues addressed by one or other of the business segments include project management, purchasing – suppliers, cash management – financing and financial instruments, organisation and security of financial information systems.

4.4.3 Preparation and processing of financial information

One of the key objectives of internal control is the reliability of accounting and financial information. Within the Bouygues group, this is addressed through comprehensive systems and a set of stringent procedures.

Quarter-end close

Each business segment has its own accounting close procedures, which must dovetail with the Group's consolidation process. Interim financial statements are produced quarterly and consolidated at Group level.

Accounting consolidation process

At parent company level, a major role of the Group Consolidation and Accounting department is to establish and implement consistent rules and methods for consolidation across the Group as a whole. It also provides support to the business segments in managing their activities on a consolidated basis and prepares the parent company financial statements.

Consolidation is carried out quarterly, using intermediate consolidations. Each business segment consolidates at its own level using identical methods defined by the Group Consolidation and Accounting department, which then carries out the overall consolidation of the Group's financial statements.

Special software is used to consolidate the financial statements at the various levels. Many listed companies rely on this software. Each of the business segments uses it as part of its step-by-step approach to consolidation. Using consolidation software makes it possible to exercise rigorous control and apply standardised procedures during the preparation of the financial statements.

In addition to the computerised accounting system, the Group Consolidation and Accounting department has produced a Group consolidation handbook containing the rules and procedures applicable to consolidation throughout the Group. The handbook is an important reference tool for preparing the consolidated financial statements. It is accessible to all accounting staff on a dedicated intranet site describing the various principles and options that apply within the Group.

The Group Consolidation and Accounting department also has an educative and co-ordinating role, organising seminars and distributing circulars to make sure the business segments are kept up to date on accounting rules and methods. Special emphasis is placed on the interpretation of, and developments in, international financial reporting standards. This in turn helps to lock in consistency in the way financial statements are prepared.

4.4.4 Management control/Reporting

The management control system is organised such that no Group company falls outside the management control process. Any company not subject to control at business segment level is controlled by the parent company.

The principles governing operational relations between the parent company and the business segments have been summarised in a document drawn up by the Group Strategy, Development and Financial Control department and regularly updated. This document serves as a guideline for all the business segments.

The parent company systematically controls subsidiaries' financial management through an annual plan (including updates) and sets of monthly indicators. The indicators are sent directly to the Group's senior management and centralised by the Group Strategy, Development and Financial Control department.

The management cycle and control/reporting procedures provide a regular flow of information and dialogue between the parent company and the business segments. Plans can be adjusted, and the parent company is always able to exercise control over how the subsidiaries are being managed and intervene at an early stage in strategic decision-making.

4.4.5 Investor relations

At Bouygues SA level, the Group Investor Relations department handles relations with investors and financial analysts (in conjunction with senior management), providing the markets with the information they need and offering feedback to shareholders and analysts.

Great care is taken in preparing press releases, the half-year report, the Universal Registration Document and, since 2018, the annual Integrated Report, which (along with presentations for financial analysts and investors) the Group regards as major vectors of its corporate image.

Various departments are involved in the process of preparing all these documents, including Finance, Corporate Communications and Legal Affairs. They are approved by senior management and/or audited by the statutory auditors. The quarterly press releases are approved by the Audit Committee and the Board of Directors.

Procedures are in place to ensure that employees are aware of insider dealing regulations and blackout periods.

The other listed companies in the Group (Colas, TF1) handle their own investor relations.

4.4.6 Key players in control

In addition to the essential role played by the departments mentioned in sections 4.4.3, 4.4.4 and 4.4.5 above, many other players are involved in the internal control and risk management process as regards accounting and financial matters.

Senior management

Senior management teams are responsible for overseeing the internal control system as a whole, defining strategic priorities, and ensuring that internal control and risk management procedures are designed and implemented in a manner appropriate to each company's development. Bouygues SA senior management in particular plays an important role in financial communication.

Audit Committees

The Bouygues SA Audit Committee and its remit are described in the "Corporate governance" section of this report (see section 5.3.5.1). Each business segment's Board of Directors has an Audit Committee with similar responsibilities to those of the Bouygues SA Audit Committee.

In addition to their role relating to elective accounting treatments and examining the financial statements, their remit also includes monitoring the effectiveness of internal control and risk management systems. The business segments' Audit Committees review the programmes and findings of internal audits as well as the risk mapping exercises. Consequently, the Audit Committees are a key component in the internal control and risk management mechanism.

Risks, Internal Control and Audit departments

The parent company has a Group Risks, Internal Control and Audit department, which plays a major role in developing the Group's internal control policy. The Group Risks, Internal Control and Audit department is charged in particular with:

- directing the Group's internal control and audit functions; and
- coordinating the business segments' internal control, risk management and audit activities.

The Group Internal Audit Charter states that the main role of internal audit is to provide senior management with reasonable assurance that organisational principles and internal control and risk management systems are reliable and effective. In fulfilling that role, Internal Audit evaluates the integrity, reliability, completeness, traceability and protection of accounting, financial and management information.

The business segments also have dedicated internal control functions. Accounting self-assessment campaigns are conducted under the direct responsibility of each accounting department.

Each business segment (except for Bouygues Telecom and Bouygues Immobilier, where internal audit is handled by the Bouygues SA Audit department) has its own Audit department.

Group Treasury and Finance Department

The Group Treasury and Finance Department at the parent company defines and ensures application of the management principles at Group-wide level. Its role is both to direct and to coordinate.

These rules cover the cash pooling vehicles Bouygues Relais and Uniservice, which are managed at parent company level, and cash pools operated by the business segments. They also apply to financing arrangements for the subsidiaries.

Key management rules relate to issues such as internal security (counter-signature for payments, etc.); external security (secure cheques, payment by promissory note, etc.); liquidity (confirmed credit facilities, investment of surplus cash, etc.); counterparty quality; legal literature for credit agreements; and assessments of any hedging of interest rate risk and foreign exchange risk.

Statutory auditors

In connection with their statutory audit engagement, the auditors perform four reviews a year (three of which, for the first-quarter and third-quarter financial statements, are limited reviews). They present a summary of their work to the Audit Committees (of the parent company, and of the lead company of each of the business segments).

4.4.7 Oversight

Internal control systems must themselves be subject to control by means of periodic assessments and should also be subject to a constant process of improvement.

Audit departments at parent company and business segment level have always assessed the effectiveness of internal control as part of their core mission and are actively involved in this improvement process.

The key concern is always to develop and implement action plans whose primary objective is to help the Group exercise better control over its operations, and to provide ever more reliable accounting and financial information.

4.5 INSURANCE – RISK COVERAGE

4.5.1 Organisation and policy

The insurance policy is handled by separate insurance departments in each of the five business segments of the Bouygues group with a significant degree of autonomy. A central Risks and Insurance department provides leadership and coordination on a Group-wide basis.

Policies are usually contracted by the insurance departments at business segment level, reflecting the great diversity of risks to which each business is exposed. Some insurance programmes that are less sensitive to the specific needs of individual businesses are centralised in the interest of cost-effectiveness.

The Group and its subsidiaries operate a loss prevention policy, developing new measures:

- to further reduce the probability of accidents and claims as well as
- their impact.

This policy also reduces the overall cost of risk, improving the Group's position when negotiating premiums and cover with its insurers.

A high proportion of the Group's policies are compulsory, for example third-party motor insurance and (for buildings in France) cover such as ten-year latent defect insurance, reflecting the importance of construction activities in the business mix. These policies exceed 65% of the insurance budget of the business segment most exposed to those risks.

Over and above compulsory insurance, Group policy is to transfer significant risks to the insurance market by establishing stable relationships with leading insurers, and to negotiate policies on the best possible terms as regards cover and cost.

Insurers are selected using key criteria such as financial security, technical expertise and administrative efficiency. The main programmes are placed via specialist insurance brokers with leading insurers such as Allianz, AxaXL, Chubb, Covéa, Generali, MSIG, SMABTP and Zurich.

Worst-case scenarios are used in determining the level of cover required, subject to restrictions imposed by insurance market capacity and the cost of cover.

Deductibles on these policies are set at entity level to ensure an optimum trade-off between,

- the likelihood of claims; and
- the premium reductions that can be obtained from insurers by increasing the deductible.

On this basis, some risks are insured with no deductible, while others are subject to a higher deductible of up to €2 million for some property insurance claims.

Total premiums paid to property and casualty insurance companies vary depending on the insurance contracts bought for specific large-scale projects. However, this amount represents less than 1 % of the Group's total sales.

The Bouygues group owns a captive reinsurance company, Challenger Réassurance, which may be involved in some of the risks to which the Group is exposed. This company is governed by Luxembourg law and is supervised by the Luxembourg insurance regulator.

4.5.2 Core insurance programmes

To prevent certain information being used to the detriment of Bouygues and its shareholders, especially in legal disputes, the amount of premiums and terms of cover are kept strictly confidential, especially in the case of liability insurance.

- **Property insurance:** Cover is generally set on the basis of property value; where this is impossible, cover is set at a level corresponding to the worst-case scenario subject to market constraints.

Generally, when damage to insured assets could lead to a business interruption, insurance is taken out to cover the financial consequences, such as operating losses and/or additional costs. The amount of cover depends on

  - the expected downtime at the damaged site according to the chosen worst-case scenario, and
  - on the recovery plans in place.

- **Contractor's insurance:** Cover is generally equal to contract value. Exceptionally, cover for some geographically dispersed projects may be limited to the cost of repairing damage incurred in a worst-case scenario.

The scenario used depends on:

  - the type of project (e.g. motorway, viaduct or tunnel); and
  - its geographical location, so as to build in the risk of damage from natural disasters such as seismic activity and hurricanes.

In some cases, the amount of cover may be limited by the total capacity available in the world insurance market, for example in the case of damage caused by tunnelling activity or by natural events abroad.

- **Liability insurance:** These policies provide cover against loss or injury to third parties for which Group companies may be liable. Because Group companies vary greatly in size and in the nature of their activities, cover is tailored to the risk exposure.

The Group considers that its current policies are suitably matched to its risk exposure profile, taking account of what is available on insurance markets in terms of capacity, cover and terms. The insurance policies described are subject to market constraints, and hence may contain exclusions and/or limitations; they may be subject to change in response to market conditions or to changes in the risks to which the Group is exposed.

CORPORATE GOVERNANCE 5

PREAMBLE

This chapter constitutes the report on corporate governance pursuant to the last paragraph of Article L. 225-37 of the Commercial Code. It includes information specified in Articles L. 22-10-8 to L. 22-10-11 as well as Article L. 225-37-4 of the Commercial Code.

This report has been drawn up by the General Counsel of Bouygues in close cooperation with the Group's senior management. The contributors have used various internal documents (articles of association, rules of procedure and minutes of the Board of Directors and its committees, compliance programmes, etc.).

The contributors have taken into consideration the regulations in force, the recommendations of the AMF, the Afep-Medef Corporate Governance Code, the report of the High Committee for Corporate Governance, and best practices adopted by other listed companies.

The Selection and Remuneration Committee gave a favourable opinion on this report on 12 February 2021. It was approved by the Board of Directors on 17 February 2021.

Corporate governance code

Bouygues complies with the Corporate Governance Code for listed companies (hereafter the Afep-Medef Code). The Code was updated in January 2020. The Afep-Medef Code is available on the Medef website at www.medef.com and on the Afep website at www.afep.com. It is also included as an appendix to the Rules of Procedure of the Board of Directors available on the www.bouygues.com website.

Derogation from Afep-Medef Code	Explanation
Not applicable.	

5.1 INFORMATION ON CORPORATE OFFICERS AT 31 DECEMBER 2020

Chairman and CEO

Date of birth:
3 May 1952
Nationality: French
Professional address:
32 avenue Hoche
75008 Paris
First appointment to Board:
21 January 1982
Expiry of term of office: 2021
Shares held: 369,297
(84,792,925 via SCDM and SCDM Participations)
Attendance rate at Board meetings:

100%

MARTIN BOUYGUES

Expertise/experience

Martin Bouygues joined the Bouygues group in 1974 as a works supervisor. In 1978, he established Maison Bouygues, specialising in the sale of catalogue homes. In 1987, Martin Bouygues was appointed Vice-Chairman of the Bouygues Board of Directors, on which he has served since 1982. In September 1989, Martin Bouygues took over from Francis Bouygues as Chairman and CEO of Bouygues. At Martin Bouygues' instigation, the Group pursued its development in construction as well as in media (TF1) and launched Bouygues Telecom in 1996. In 2006, Bouygues acquired a stake in Alstom. On 17 February 2021, Martin Bouygues was appointed Chairman of the Bouygues Board of Directors.

Principal position outside Bouygues SA

Chairman of SCDM.

Other positions and functions in the Group

In France: Member of the Board of Directors of the Francis Bouygues Foundation.

Other positions and functions outside the Group

In France: Standing representative of SCDM, Chairman of SCDM Participations; member of the supervisory board of Domaine Henri Rebourseau.

Former positions and functions during the last five years

2020 – Director of TF1 [a].
2019 – Member of the Board of Directors of the Skolkovo Foundation (Russia).
2018 – Standing representative of SCDM, Chairman of Actiby.
2016 – Member of the supervisory board and the strategy committee of Rothschild & Co [a] (former-Paris-Orléans).

(a) Listed company.

Deputy CEO

Date of birth:
13 October 1964
Nationality: French
Professional address:
32 avenue Hoche
75008 Paris
First appointment:
30 August 2016

OLIVIER ROUSSAT

Expertise/experience

Olivier Roussat is a graduate of INSA – Lyon. He began his career in 1988 at IBM, where he held a number of positions in data network services, service delivery and pre-sales. He joined Bouygues Telecom in 1995 to set up the network management centre and network processes. He then became head of network operations, and telecoms and IT service delivery. In May 2003, he was appointed network manager and became a member of the Executive Committee of Bouygues Telecom. In January 2007, Olivier Roussat took charge of the performance and technology unit which groups Bouygues Telecom's cross-disciplinary technical and IT departments, including networks, information systems, process engineering, purchasing, corporate services and property development. He was also given responsibility for Bouygues Telecom's headquarters and Technopôle buildings. Olivier Roussat became Deputy Chief Executive Officer of Bouygues Telecom in February 2007 and was appointed Chief Executive Officer in November 2007. He was then Chairman and Chief Executive Officer of Bouygues Telecom from May 2013 to November 2018, before being appointed Chairman of the Board of Directors of Bouygues Telecom on 9 November 2018. On 1 October 2019, he was appointed Chairman of the Board of Directors of Colas. On 30 August 2016, Olivier Roussat was appointed Deputy CEO of Bouygues and on 17 February 2021, he was appointed Chief Executive Officer of Bouygues.

Principal positions outside Bouygues SA

Chairman of the Boards of Directors of Bouygues Telecom and Colas [a].

Other positions and functions in the Group

In France: Director of TF1 [a], Colas [a] and Bouygues Construction; member of the Board of Bouygues Immobilier.

(a) Listed company.

5

Directors

OLIVIER BOUYGUES

Date of birth:
14 September 1950
Nationality: French
Professional address:
32 avenue Hoche
75008 Paris
First appointment to Board:
5 June 1984
Expiry of term of office: 2022
Shares held: 193,021
(84,792,925 via SCDM and SCDM Participations)
Attendance rate at Board meetings:

100%

Expertise/experience

Olivier Bouygues is a graduate of École Nationale Supérieure du Pétrole (ENSPM) and joined the Bouygues group in 1974. He began his career in the Group civil works branch. From 1983 to 1988 at Bouygues Offshore [a], he held the posts of director of Boscam, a Cameroon subsidiary, then director of the France Works and Special Projects division. From 1988 to 1992, he was Chairman and CEO of Maison Bouygues. In 1992, he became Group Executive Vice President of Utilities Management, which grouped the international and French activities of Saur [b]. He has held a seat on the Bouygues Board of Directors since 1984. From 2002 to 31 August 2020, he was Deputy CEO of Bouygues.

Principal position outside Bouygues SA

Chairman of SCDM Domaines.

Other positions and functions in the Group

In France: Director of TF1 [c], Colas [c], Bouygues Telecom and Bouygues Construction; member of the Board of Bouygues Immobilier.

Other positions and functions outside the Group

In France: Director of Alstom [c].
Outside France: Sole director of SCDM Energy Limited (United Kingdom); Chairman and CEO of Seci (Ivory Coast).

Former positions and functions during the last five years

2020 – Deputy CEO of Bouygues; CEO of SCDM; Chairman of the Board of Directors of Bouygues Europe (Belgium).
2017 – Chairman of Sagri.
2016 – Standing representative of SCDM on the Board of Bouygues.

(a) Bouygues' oil and gas services activity, sold to Saipem in 2002.
(b) Bouygues' utilities subsidiary, sold to PAI Partners in 2004.
(c) Listed company.

BERNARD ALLAIN

Date of birth:
3 August 1957
Nationality: French
Professional address:
13-15 avenue du Maréchal Juin
92360 Meudon-la-Forêt
First appointment to Board:
4 June 2020
Expiry of term of office: 2022
Attendance rate at Board meetings:

100%

Attendance rate at Selection and Remuneration Committee meetings:

100%

Director representing employees
Member of the Selection and Remuneration Committee

Expertise/experience

Bernard Allain holds diplomas in civil engineering, economics and information technology. He joined Bouygues Telecom in 1999, where he held various managerial positions within the information systems division up to 2005. In 2006, he was appointed head of technical projects within the operations division at Bouygues Telecom Entreprises. Since 2016, he has been Director of Information Systems Projects within the architecture governance projects division at Bouygues Telecom Entreprises. Bernard Allain has also been involved in employee representative bodies for a number of years.

Principal position outside Bouygues SA

Director of Information Systems Projects at Bouygues Telecom Entreprises.

Date of birth:
23 July 1966
Nationality: French
Professional address:
1 avenue Eugène Freyssinet
78280 Guyancourt
First appointment to Board:
4 June 2020
Expiry of term of office: 2022
Attendance rate at Board meetings:

83%

BÉATRICE BESOMBES

Director representing employees

Expertise/experience

Béatrice Besombes joined the Bouygues group in 1991 as manager of the audiovisual department at Siemephone (a Bouygues Energies & Services subsidiary). Between 1993 and 2000, she was financial controller in the public works equipment department at Bouygues Travaux Publics. She then held various managerial positions within the finance departments of Bouygues Bâtiment Ile-de-France between 2000 and 2010. In 2010, she was appointed Deputy Director Financial Control, charged with reporting for Bouygues Bâtiment Ile-de-France. Since September 2016, she has been Deputy Director Financial Control, charged with reporting for the Bouygues Construction group.

Principal position outside Bouygues SA

Deputy Director Financial Control at Bouygues Construction.

Date of birth:
27 April 1972
Nationality: French
Professional address:
13-15 avenue du Maréchal Juin
92360 Meudon-la-Forêt
First appointment to Board:
20 May 2014
Expiry of term of office: 2022
Attendance rate at Board meetings:

100%

Attendance rate at Ethics, CSR and Patronage Committee meetings:

100%

RAPHAËLLE DEFLESSELLE

Director representing employee shareholders

Member of the Ethics, CSR and Patronage Committee

Expertise/experience

Raphaëlle Deflesselle is an engineering graduate of École Polytechnique Féminine (EPF). She joined Bouygues Telecom in 1996. She took part in implementing network oversight tools in the network operations department. She then held various managerial positions in the technical departments from 1999 to 2009. In 2010, she was appointed head of the performance department within the Information Systems Division, before becoming head of IT infrastructures in 2013. She was then Director, IT Governance, Research and Transformation within the Information Systems Division at Bouygues Telecom until 2019 before being appointed Director of Operations and Projects at Bouygues Telecom Entreprises in June 2019.

Principal position outside Bouygues SA

Director of Operations and Projects at Bouygues Telecom Entreprises.

Date of birth:
27 January 1960
Nationality: French
Professional address:
138 bis rue de Grenelle
75007 Paris
First appointment to Board:
21 April 2016
Expiry of term of office: 2022
Shares held: 500
Attendance rate at Board meetings:

100%

Attendance rate at Audit Committee meetings:

100%

CLARA GAYMARD

Independent director
Member of the Audit Committee

Expertise/experience

Clara Gaymard is a graduate of Institut d'Études Politiques de Paris (IEP). She was an administrative officer at the office of the mayor of Paris from 1982 to 1984, before joining École Nationale d'Administration (ENA). Graduating from ENA in 1986, she joined the Cour des Comptes state audit office as an auditor and in 1990 was promoted to public auditor. She was then appointed head of the European Union office at the External Economic Relations department (DREE) of the French Ministry of Finance. In 1995, she was named chief of staff at the Ministry of Intergenerational Solidarity. From 1996 to 1999, she served as deputy head in charge of support for small- and medium-sized businesses and regional initiatives at DREE. In February 2003, she became Ambassador for International Investment and Chair of the French Agency for International Investments (AFII). She joined the General Electric group in 2006, where she was appointed Chair and CEO of GE France, then GE Northwest Europe in 2008. In 2009, she was appointed Vice-Chair of GE International responsible for key public accounts and in 2010 as Vice-Chair responsible for governments and cities. As Chair and CEO of GE France, she participated, from 2014 to 2016, in the acquisition of Alstom's Energy business. She left the General Electric group in January 2016 to join on a full-time basis Raise which she founded in January 2014 with Gonzague de Blignières.

Principal position outside Bouygues SA

Co-founder of Raise.

Other positions and functions outside the Group

In France: Director of Veolia Environnement [a], LVMH [a], Danone [a] and Sages.

Former positions and functions during the last five years

2018 – Chair of the Women's Forum.
2017 – CEO of Raise Conseil.
2016 – Chair of GE France.

(a) Listed company.

ANNE-MARIE IDRAC

Independent director

Chairwoman of the Ethics, CSR and Patronage Committee

Member of the Audit Committee

Date of birth:
27 July 1951
Nationality: French
Professional address:
32 avenue Hoche
75008 Paris
First appointment to Board:
26 April 2012
Expiry of term of office: 2021
Shares held: 500
Attendance rate at Board meetings:

100%

Attendance rate at Ethics, CSR and Patronage Committee meetings:

100%

Attendance rate at Audit Committee meetings:

100%

Expertise/experience

Anne-Marie Idrac graduated from Institut d'Études Politiques de Paris (IEP) and École Nationale d'Administration (Simone Weil intake, 1974). She began her career as a senior civil servant serving in a number of posts at the French Ministry of Infrastructure in the fields of the environment, housing, urban development and transport. She was director general at the Public Development Agency (EPA) of Cergy-Pontoise from 1990 to 1993, and director of land transportation from 1993 to 1995. She has also held political offices: Secretary of State for Transport from 1995 to 1997, then Member of Parliament for a constituency in the Yvelines from 1997 to 2002, Councillor for the Paris region from 1998 to 2002, and junior minister for foreign trade from 2008 to 2010. In addition, she has held significant responsibilities in major transport companies: she was Chair and CEO of the RATP (Paris public transport authority) from 2002 to 2006, before becoming the first woman to head the SNCF (French state railways) where she was Chair and CEO from 2006 to 2008. She was also the first woman to become Vice-Chair of Union Internationale des Chemins de Fer (UIC – International Railway Union). From 2015 to August 2018, she was Chairwoman of the supervisory board of the Toulouse-Blagnac Airport concession company. In 2017, she was appointed High Representative for the French government strategy on driverless vehicles. In December 2019, she was appointed Chairwoman of France Logistique.

Principal position outside Bouygues SA

Company director.

Other positions and functions outside the Group

In France: Director of Total [a], Saint-Gobain [a], Air France-KLM [a] and Sanef [a]; Senior Advisor to Sia Partners; Chairwoman of France Logistique.

Former positions and functions during the last five years

2018 – Chair of the supervisory board of Toulouse-Blagnac Airport; Senior Advisor to Suez [a].

(a) Listed company.

5

Date of birth:
19 September 1945
Nationality: French
Professional address:
32 avenue Hoche
75008 Paris
First appointment to Board:
29 April 2010
Expiry of term of office: 2022
Shares held: 12,685
Attendance rate at Board meetings:

85%

Attendance rate at Selection and Remuneration Committee meetings:

100%

COLETTE LEWINER

Independent director

Member of the Selection and Remuneration Committee

Expertise/experience

Colette Lewiner is a graduate of École Normale Supérieure and holds the prestigious rank of "agrégée" teacher in physics, as well as a PhD in science. She began her career in research and teaching at Université de Paris VII. She joined EDF in 1979, where she worked in the Research and Development department. In 1987, she was appointed head of the fuel procurement department at EDF. In 1989, she created the development and commercial strategy division and was the first woman to be appointed Senior Vice President at EDF. In 1992, she was appointed Chairwoman and CEO of SGN-Réseau Eurisys, Cogema's engineering subsidiary. In 1998, she joined Capgemini, where she headed the Global Energy, Utilities and Chemicals sector, before becoming Advisor to the Chairman on matters regarding energy and utilities. Between 2010 and 2015, she was non-executive Chairwoman of TDF. From 2008 to 2012, she was a member of the European Union Advisory Group on Energy. Between 2013 and 2017, she was a member of the Conseil Stratégique de la Recherche (CSR), a committee charged with advising the French government on research and innovation strategy.

Principal position outside Bouygues SA

Advisor to the Chairman of Capgemini [a] on matters regarding energy and utilities.

Other positions and functions in the Group

In France: Director of Colas [a].

Other positions and functions outside the Group

In France: Independent director of EDF [a], CGG [a] and Getlink [a].

Former positions and functions during the last five years

2020 – Director of Nexans [a].
2018 – Director of Ingenico [a].
2016 – Director of Crompton Greaves Limited [a] (India).

(a) Listed company.

BENOÎT MAES

Independent director
Chairman of the Audit Committee
Member of the Selection and Remuneration Committee

Date of birth:
30 July 1957
Nationality: French
Professional address:
32 avenue Hoche
75008 Paris
First appointment to Board:
23 April 2020
Expiry of term of office: 2023
Shares held: 500
Attendance rate at Board meetings:

100%

Attendance rate at Audit Committee meetings:

100%

Attendance rate at Selection and Remuneration Committee meetings:

100%

Expertise/experience

Benoît Maes is a graduate of École Nationale Supérieure des Mines de Paris and an engineer of the Corps des Mines. He started his career in 1982 at the French Industry Ministry, as head of industrial development for the French Department of Industry for the Central France region. He was assistant to the Secretary General before becoming Secretary General of the Observatoire de l'Énergie from 1985 to 1988, then technical adviser to the office of the Minister for Industry and Regional Development from 1988 to 1991. In 1991, he joined the Gan-Groupama group, where he held several operational and financial posts, notably within the group general audit and actuarial division at Groupama, as well as senior management positions at Gan Assurances and Groupama Gan Vie. From 2011 to 2017, he was group Chief Financial Officer of Groupama SA.

(a) Listed company.

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Date of birth: 3 December 1980
Nationality: French
Professional address:
23 bis avenue de Messine
75008 Paris
First appointment to Board:
27 April 2017
Expiry of term of office: 2023
Shares held: 500
Attendance rate at Board meetings:

100%

ALEXANDRE DE ROTHSCHILD

Expertise/experience

Alexandre de Rothschild is a graduate of École Supérieure du Commerce Extérieur (ESCE). He began his career in 2004 as a financial analyst at Bear Stearns in New York. From 2005 to 2008, he was a manager for the Private Equity department of Argan Capital in London, then Deputy Head of Strategy at Jardine Matheson in Hong Kong. He joined the Rothschild & Co Group in 2008 to set up the Merchant Banking Division. Since 2011, he has been member of the Rothschild & Co Group Executive Committee. In 2013, he was appointed managing partner of Rothschild & Cie Banque (now Rothschild Martin Maurel) and of Rothschild & Cie and is a member of several boards and committees within the Rothschild & Co Group. In 2014, he joined the management board of Rothschild & Co Gestion, on which he became Executive Deputy Chairman in March 2017. He has been Executive Chairman of Rothschild & Co Gestion, managing partner of Rothschild & Co since May 2018.

Principal position outside Bouygues SA

Executive Chairman of Rothschild & Co Gestion, managing partner of Rothschild & Co.

Other positions and functions outside the Group

In France: Chairman of K Développement SAS, Rothschild Martin Maurel Associés SAS, SCS Holding SAS, Financière Rabelais SAS, Rothschild & Co Commandité SAS, Aida SAS, Cavour SAS, Verdi SAS and Financière de Tournon SAS; director of Rothschild & Co Concordia SAS; managing partner of RCB Partenaires SNC, Société Civile du Haras de Reux SC and SCI 66 Raspail; general managing partner of Rothschild & Cie SCS and Rothschild Martin Maurel SCS; member of the supervisory board of Martin Maurel SA; standing representative of Rothschild & Co Gestion SAS, managing partner of RMM Gestion SNC.

Outside France: Chairman of the Board of Directors of Rothschild & Co Continuation Holdings AG (Switzerland); member of the Board of Directors of Rothschild & Co Japan Ltd (Japan).

Former positions and functions during the last five years

2019 – Vice-Chairman and director of the Board of Directors of Rothschild & Co Bank AG (Switzerland); member of the board of directors of Rothschild & Co Concordia AG (Switzerland) and Rothschild Holding & Co AG (Switzerland).
2018 – Deputy Chairman of the management board of Rothschild & Co Gestion SAS; director of Five Arrows (Scotland) and General Partner Ltd (Scotland).
2017 – Member of the Board of Directors of Treilhard Investissements SA; general partner of Rothschild & Compagnie Gestion SCS.
2016 – Chairman of Messine Managers Investissements SAS.

Date of birth:
7 February 1947
Nationality: French
Professional address:
32 avenue Hoche
75008 Paris
First appointment to Board:
25 April 2013
Expiry of term of office: 2022
Shares held: 531
Attendance rate at Board meetings:

92%

Attendance rate at Ethics, CSR and Patronage Committee meetings:

100%

ROSE-MARIE VAN LERBERGHE

Independent director
Member of the Ethics, CSR and Patronage Committee

Expertise/experience

Rose-Marie Van Lerberghe is a graduate of École Normale Supérieure and École Nationale d'Administration, and holds the prestigious rank of "agrégée" teacher in philosophy. She is also a graduate of Institut d'Études Politiques de Paris (IEP) and INSEAD, and has a degree in history. After holding various positions at the French Ministry of Labour in 1986 Rose-Marie Van Lerberghe joined the Danone group, where she successively headed two subsidiaries before becoming Director of Human Resources of the Danone group from 1993 to 1996. In 1996, she became Delegate General for Employment and Vocational Training at the French Ministry of Labour and Social Affairs. She was then Chief Executive Officer of Altédia from 2000 to 2002, before becoming Director General of Assistance Publique – Hôpitaux de Paris from 2002 to 2006. From 2006 to 2011, she chaired the Korian management board. From 2007 to 2008, she sat on the French Commission charged with drawing up proposals for the French Alzheimer's Plan. In 2009, she joined the KPMG strategy committee. From 2011 to 2015, she was a member of the Conseil Supérieur de la Magistrature (High Council for the Judiciary), appointed as a prominent figure from outside the Judiciary. She was Chairwoman of the Board of Directors of Institut Pasteur from 2013 to 2016 and has been Vice-Chairwoman of the supervisory board of Klépierre since June 2017.

Principal position outside Bouygues SA

Vice-Chairwoman and member of the supervisory board of Klépierre [a].

Other positions and functions outside the Group

In France: Director of CNP Assurances [a] and Fondation Hôpital Saint-Joseph; Chairwoman of the Board of Directors of Orchestre des Champs-Élysées.

Former positions and functions during the last five years

2018 – Senior Advisor to BPI Group.
2016 – Chairwoman of the Board of Directors of Institut Pasteur.

(a) Listed company.

Date of birth:
14 September 1961
Nationality: French
Professional address:
3 boulevard Gallieni
92130 Issy-les-Moulineaux
First appointment to Board:
29 April 2010
Expiry of term of office: 2022
Attendance rate at Board meetings:

100%

Attendance rate at Audit Committee meetings:

100%

MICHÈLE VILAIN

Director representing employee shareholders
Member of the Audit Committee

Expertise/experience

Michèle Vilain joined Bouygues Immobilier in 1989, holding various positions in the IT and Office Automation department, including responsibility for customer services. She then took charge of customer relations within the Support Functions division before becoming Deputy Director supporting change management within the Residential Property France division for two years. She was then responsible for Human Resources digital projects and Opéra IT project rollout. She is currently Director, Workplace Environment.

Principal position outside Bouygues SA

Director, Workplace Environment at Bouygues Immobilier.

SCDM, REPRESENTED BY EDWARD BOUYGUES

Address:
32 avenue Hoche
75008 Paris
First appointment to Board:
22 October 1991
Expiry of term of office: 2022
Shares held: 84,692,925

Other positions and functions in the Group
In France: Director of TF1 [a] and GIE 32 Hoche.

Other positions and functions outside the Group
In France: Chair of SCDM Participations.

Former positions and functions during the last five years
2018 – Chair of Actiby.

EDWARD BOUYGUES, STANDING REPRESENTATIVE OF SCDM

Standing representative of SCDM since 11 June 2020

Date of birth:
14 April 1984
Nationality: French
Professional address:
13-15 avenue du Maréchal Juin
92360 Meudon-la-Forêt
First appointment to Board:
21 April 2016
Attendance rate at Board meetings:
100%

Expertise/experience
Edward Bouygues is a graduate of ESSCA, Angers (specialising in banking and finance) and holds an MBA from the London Business School. After having spent five years as a works supervisor, and in marketing at Bouygues Construction, he joined Bouygues Telecom in February 2014 as Head of Marketing. He was then Director of Marketing, with responsibility for services, content and product design, before being appointed CEO of RCBT (Club Bouygues Telecom store network) in February 2017. Since January 2019, he has been Director of Strategy and a member of the Bouygues Telecom Executive Committee. On 17 February 2021, he was appointed Deputy CEO of Bouygues.

Principal positions outside Bouygues SA
Director of Strategy and a member of the Bouygues Telecom Executive Committee.

Other positions and functions in the Group
In France: Director of Bouygues Telecom.

Other positions and functions outside the Group
Director of SCDM.

SCDM PARTICIPATIONS, REPRESENTED BY CYRIL BOUYGUES

Address:
32 avenue Hoche
75008 Paris
First appointment to Board:
21 April 2016
Expiry of term of office: 2022
Shares held: 100,000

CYRIL BOUYGUES, STANDING REPRESENTATIVE OF SCDM PARTICIPATIONS

Standing representative of SCDM Participations since 11 June 2020

Date of birth:
31 January 1986
Nationality: French
Professional address:
50 Cannon Street
EC4N 6JJ London
United Kingdom
First appointment to Board:
21 April 2016
Attendance rate at Board meetings:

100%

Expertise/experience

Cyril Bouygues is a graduate of Institut Supérieur de Gestion (ISG) and holds a Harvard Master in Public Administration. He held the post of works supervisor at Bouygues Construction, then head of projects at Bouygues Immobilier, before becoming Director of hydrocarbon exploration and production projects at Investaq Energie (SCDM group) in October 2014. Since October 2016, he has been Head of Strategy and Development at SCDM Energy Limited.

Principal position outside Bouygues SA

Head of Strategy and Development at SCDM Energy Limited (United Kingdom).

Other positions and functions in the Group

In France: Member of the Board of Bouygues Immobilier.

Other positions and functions outside the Group

Director de Perinti Ltd (United Kingdom).
Director of Les Amis de la Fondation Jardin Majorelle (Morocco).
Founder of the Be Brilliant philanthropic endowment fund (Paris, France).

5

5.2 GOVERNANCE STRUCTURE

Chairman

The Chairman organises and directs the work of the Board of Directors, and ensures that the company's management bodies function properly. He is elected by the Board from among those of its members who are natural persons.

Chief Executive Officer

The Chief Executive Officer assumes responsibility for the executive management of the company.

The Board assigns this role either to the Chairman of the Board or to any other natural person, who may or may not be a director.

Changes to the governance structure of executive management

In 2002, the Board of Directors opted not to separate the offices of Chairman and Chief Executive Officer. The Board consistently renewed that option, most recently in May 2020. Martin Bouygues therefore fulfilled a dual role as Chairman of the Board of Directors and Chief Executive Officer.

The Board took the view that combining the offices of Chairman and Chief Executive Officer promoted effective governance, particularly in view of the Bouygues group's organisational structure. During 2020, Martin Bouygues, the Chairman and Chief Executive Officer of Bouygues (the Group's parent company) was supported in his executive management role by at least one Deputy Chief Executive Officer.

However, Martin Bouygues did not have executive power over any of the Group's five business segments (Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom), which is vested in the executive directors of said business segments. Consequently, Martin Bouygues did not combine operational responsibility for these subsidiaries with his other roles. While Bouygues and its Chairman pay close attention to matters that have a major impact on the Group, this does not mean they are substituting themselves for the governance bodies of the Group's business segments.

Acting on a proposal from Martin Bouygues and a recommendation from the Selection and Remuneration Committee, the Board meeting of 17 February 2021 decided to separate the offices of Chairman and Chief Executive Officer with immediate effect. At that meeting, the Board confirmed Martin Bouygues in his role as Chairman of the Board of Directors for the remainder of his term of office as a director, recommended the renewal of his term of office for a three-year period, and appointed Olivier Roussat to serve as Chief Executive Officer for a term of three years.

In addition, acting on a proposal from Olivier Roussat and a recommendation from the Selection and Remuneration Committee, the Board meeting of 17 February 2021 also appointed Edward Bouygues and Pascal Grangé to serve as Deputy Chief Executive Officers for a term of three years, with immediate effect.

There is no senior independent director or Vice-Chairman. Relations with shareholders – especially as regards corporate governance – are handled by the Executive Officers, the General Counsel and the Investor Relations department, and comply with market conduct principles and with the principle of equal access to information.

Remit of the Chairman of the Board of Directors

With effect from 17 February 2021, Martin Bouygues holds office solely as Chairman of the Board of Directors.

When separating the office of Chairman from that of Chief Executive Officer, the Board of Directors decided that – given the Chairman of the Board's in-depth knowledge of the Bouygues group, experience, and expertise – he would be given the remit described below.

Consequently, in accordance with the articles of association and with the Rules of Procedure of the Board of Directors, the remit of the Chairman of the Board of Directors is as follows:

- he organises and directs the work of the Board of Directors, for which he is accountable to the general meeting of shareholders, whose meetings he chairs;
- he ensures that the company's management bodies function properly, and that the directors are able to fulfil their duties;
- he represents the Group, in particular in its dealings with official bodies, institutions, governmental authorities and stakeholders;
- he represents the Group in its dealings with major customers and partners;
- he is kept informed regularly by the Chief Executive Officer of significant events in the Group's affairs, and may request from the Chief Executive Officer any information that may enlighten the Board and its committees;
- he is involved in dialogue with shareholders;
- he takes part in internal meetings on strategic issues; and
- he may assume any other role that the Board of Directors confers upon him.

Limitations on the powers of the Chief Executive Officer

In accordance with law and the articles of association, the Chief Executive Officer has the broadest possible powers to act on the company's behalf under all circumstances. He exercises those powers within the confines of the corporate purpose and subject to powers expressly granted by law to general meetings of shareholders or to the Board of Directors.

A number of practices have for several years contributed to ensuring the proper governance of the company and to limiting the powers of the Chief Executive Officer:

- the Rules of Procedure set forth rules governing the operation of the Board of Directors and the rules of conduct applying to directors, and are published on the corporate website;
- three specialised committees, each of them chaired by an independent director, are tasked with preparing the work of the Board in the following areas: selection and remuneration of senior executives; accounting and audit; and ethics, CSR and patronage;
- a significant proportion of independent directors sit on the Board and on each committee;
- directors representing employee shareholders or employees sit on the Board and on each committee;
- the directors meet annually without executive directors or internal directors being present;
- Compliance Programmes are enforced, including one on conflicts of interest and another on financial information and securities trading;
- regulated agreements are governed by an internal charter, which is published on the company's website.

Deputy Chief Executive Officers

The articles of association state that on a proposal from the Chief Executive Officer, the Board of Directors may appoint up to five natural persons, who may or may not be directors, as Deputy Chief Executive Officers to assist the Chief Executive Officer.

During 2020, Martin Bouygues was assisted in his role as Chief Executive Officer by at least one Deputy Chief Executive Officer. The terms of office of Philippe Marien and Olivier Bouygues as Deputy Chief Executive Officers ended on 19 February 2020 and 31 August 2020 respectively.

With effect from 17 February 2021, executive management of the company is handled by Olivier Roussat as Chief Executive Officer, assisted by Edward Bouygues and Pascal Grangé as the two new Deputy Chief Executive Officers.

5.3 BOARD OF DIRECTORS

5.3.1 Composition of the Board of Directors

5.3.1.1 Principles governing the composition of the Board

The importance of the role played by the Board of Directors means that the quality of its membership is key to the proper functioning of the company.

The Afep-Medef Corporate Governance Code (the "Afep-Medef Code") stresses that the composition of a company's Board should appropriately reflect the company's share ownership structure, the extent and nature of its operations, and the specific circumstances facing the company.

It also reiterates that since the Board acts in the corporate interest of the company it is not desirable, except in cases provided for by law, for large numbers of special interests to be represented within the Board.

The composition of the Board of Directors of Bouygues takes account of the significant proportion of the share capital held by the Group's founding family and by employee shareholders.

It also takes account of:

- legal requirements on:
  - gender balance: under Articles L. 225-18-1 and L. 22-10-3 of the Commercial Code, neither gender may account for less than 40% of the composition of the Board (excluding directors representing employees),
  - representation of employees on company boards (Articles L. 225-27-1 and L. 22-10-7 of the Commercial Code),
  - inclusion of directors representing employee shareholders (Article L. 223-23 of the Commercial Code);
- the provisions of the Afep-Medef Code on independent directors.

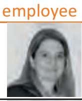
According to the articles of association, the Board of Directors is made up as follows:

Type of director	Method of appointment	Term of office	Number of directors	Reference text
Directors appointed by the Annual General Meeting	Appointed by an Ordinary General Meeting	3 years, renewable	3 to 18	Article L. 225-18 of the Commercial Code
Directors representing employee shareholders	Elected by an Ordinary General Meeting on the recommendation of the Supervisory Boards of the employee share ownership funds	3 years, renewable	Up to 2	Articles L. 225-23 and L. 22-10-5 of the Commercial Code
Directors representing employees	Nominated by the Group Council governed by Articles L. 2331-1 et seq of the Labour Code	2 years, renewable once	1 or 2	Articles L. 225-27-1 and L. 22-10-7 of the Commercial Code

The Rules of Procedure of the Board of Directors lay down other imperatives. For example, no more than two directors or standing representatives of legal entities may come from outside companies in which a corporate officer of Bouygues holds office.

5.3.1.2 Composition of the Board of Directors at 31 December 2020

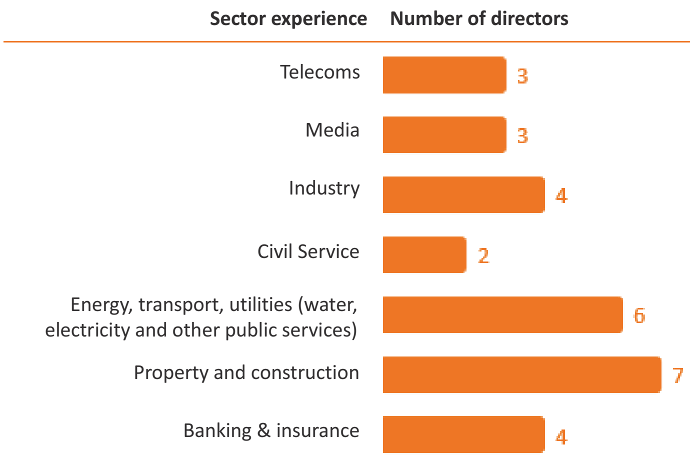
For a full career résumé of each director see section 5.1. Overview of Board members:

Name		Profile				Board membership			Committee membership			Other offices held [b]
		Age	Gender	Nationality	Number of shares held	Start first term [a]	End current term [a]	Length of service	Audit	Selection and Remuneration	Ethics, CSR and Patronage	
Executive Officers (from the SCDM group)												
Martin Bouygues Chairman and CEO		68	M	FR	369,297 (84,792,925 via SCDM)	1982	2021	38				
Olivier Bouygues		70	M	FR	193,021 (84,792,925 via SCDM	1984	2022	36				1 (Alstom)
Directors representing the SCDM group												
Edward Bouygues Standing representative of SCDM		36	M	FR	SCDM: 84,692,925	2016	2022	2 [c]				
Cyril Bouygues Standing representative of SCDM Participations		34	M	FR	SCDM Participations: 100,000	2016	2022	2 [c]				
Independent directors												
Clara Gaymard		60	F	FR	500	2016	2022	4	Member			3 (Veolia Environnement, LVMH, Danone)
Anne-Marie Idrac		69	F	FR	500	2012	2021	8	Member		Chair	4 (Total, Saint-Gobain, Air France-KLM, Sanef)
Colette Lewiner		75	F	FR	12,685	2010	2022	10		Chair		3 (Getlink, EDF, CGG)
Benoît Maes		63	M	FR	500	2020	2023	0	Chair	Member		
Rose-Marie Van Lerberghe		73	F	FR	531	2013	2022	7			Member	2 (Klépierre, CNP Assurances)
Other director												
Alexandre de Rothschild		40	M	FR	500	2017	2023	3				
Directors representing employee shareholders												
Raphaëlle Deflesselle		48	F	FR	Unspecified	2014 [d]	2022	6			Member	
Michèle Vilain		59	F	FR	Unspecified	2010	2022	10	Member			
Directors representing employees												
Bernard Allain		63	M	FR	Unspecified	2020	2022	0		Member		
Béatrice Besombes		54	F	FR	Unspecified	2020	2022	0				

(a) Either in a personal capacity or as a standing representative.
(b) In listed companies outside the Bouygues group.
(c) Cyril Bouygues and Edward Bouygues were the standing representatives of SCDM Participations and SCDM from June 2016 to June 2018, and were then reappointed on 11 June 2020.
(d) Raphaëlle Deflesselle was a director representing employees from May 2014 to May 2018. She was appointed as a director representing employee shareholders on 25 April 2019.

Chair Member

Experience and expertise of directors



5.3.1.3 Changes in the composition of the Board of Directors in 2020

During 2020, the Board of Directors increased in size from 13 to 14 members.

Date	Departures	Appointments	Reappointments
23 April 2020	Helman le Pas de Sécheval	Benoît Maes	Alexandre de Rothschild
4 June 2020	Francis Castagné (director representing employees)	Bernard Allain (director representing employees) Béatrice Besombes (director representing employees)	
11 June 2020	William Bouygues, standing representative of SCDM Participations Charlotte Bouygues, standing representative of SCDM	Cyril Bouygues, standing representative of SCDM Participations Edward Bouygues, standing representative of SCDM	

5.3.1.4 Diversity policy applied to Board members

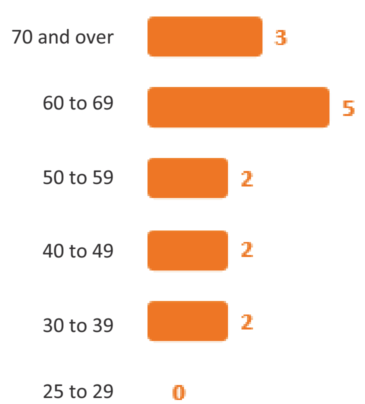
In accordance with the Afep-Medef Code, the Board periodically reassesses the preferred balance of its membership and of its committees, especially as regards diversity (gender balance, international experience, expertise, etc.). The objectives, procedures and outcomes of this diversity policy are presented below.

Objectives	The Board takes the view that a good balance is achieved by having directors with diverse profiles, especially in terms of age, length of service, qualifications and professional experience, and by having a sufficient number of independent directors. Such diversity is particularly necessary given the broad range of activities carried on by Bouygues in construction, media and telecoms.
Procedures	The balance of the composition of the Board and its committees is one of the issues assessed each year as part of the evaluation of the Board (see section 5.3.6). The Selection and Remuneration Committee also takes account of diversity objectives when assessing any candidate for appointment as a director or Executive Officer, or as a member of a committee. When the Selection and Remuneration Committee makes proposals to the Board about appointing, reappointing or removing a director, it pays close attention to the diversity policy applied to Board members. Reappointments of directors are de facto staggered across three consecutive years. This means that the composition of the Board is reassessed every February, at the Board meeting that finalises the text of the resolutions to be submitted to the Annual General Meeting. In accordance with law and with the articles of association, the Board includes directors representing employees and directors representing employee shareholders. The presence of those directors on the Board contributes to the diversity policy.
Outcomes	**Expertise** Board members are drawn from a range of complementary backgrounds, and include the full range of expertise needed for the Board of a diversified group. The expertise of Board members is summarised in section 5.3.1.2. For a full career résumé of each director see section 5.1.
	Independent directors See section 5.3.2.
	Nationality and international experience All members of the Board of Directors are French nationals, but several of them have extensive international experience. In addition, some directors have a bi-national culture.
	Gender balance At 31 December 2020, without taking account of the directors representing employees (as stipulated in Articles L. 225-27 and L. 22-10-6 of the Commercial Code), six of the 12 directors on the Board were women, a proportion of 50%. That compares with 58% at 31 December 2019. At 31 December 2020, seven out of ten seats on committees were held by women, a proportion of 70%, unchanged from the previous year.

Age

The average age of directors at 31 December 2020 was 58. The age pyramid is as follows:

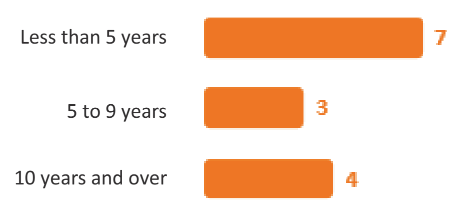
Number of directors by age range



Length of service

The average length of service of directors at 31 December 2020 was 8.9 years. Leaving aside Martin Bouygues and Olivier Bouygues, it was 4.25 years.

Number of directors by length of service



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5.3.1.5 Non-discrimination policy and gender balance on executive bodies

The Board regularly checks that the Executive Officers are implementing a non-discrimination and diversity policy.

Bouygues Group Management Committee

The Bouygues Group Management Committee is currently all-male.

There are two main reasons for this:

- the preponderance within the Group of construction activities, which employ a very high proportion of men;
- primarily, the fact that most positions of responsibility are filled by promoting internal candidates.

The Group Management Committee essentially consists of the Chairmen and CEOs of each of the Bouygues group's five business segments. However, in 2017 the Group launched a gender balance action plan to increase female representation on the executive bodies of its subsidiaries (from where the Chairmen and CEOs of the business segments are drawn), with an objective of 23% in 2020. While the indicator shows that progress has been made (21.1% in 2020, versus 20.4% in 2019), the figure is short of the target. Consequently, a new action plan will be launched early in 2021, with new targets for the Group and its business segments.

Gender balance in the 10% of positions with the greatest responsibility

Looking beyond the Group Management Committee and Senior Vice-Presidents, women hold 25% of positions with the greatest level of responsibility at Bouygues SA.

The proportion of women at department head level and higher is 30% (and that percentage should naturally increase in the years ahead).

5.3.2 Independent directors

In accordance with the recommendations of the Afep-Medef Code, after seeking the opinion of the Selection and Remuneration Committee, the Board of Directors at its meeting of 19 February 2020 reviewed each director's situation in light of each of the eight independence criteria as defined by the Afep-Medef Code.

Independence criteria of the Afep-Medef Code

Criterion 1: Employee or Executive Officer	Not being, or not having been within the previous five years: (i) an employee or Executive Officer of Bouygues; (ii) an employee, Executive Officer or director of an entity consolidated by Bouygues; (iii) an employee, Executive Officer or director of Bouygues' parent or of an entity consolidated by that parent.
Criterion 2: Cross-directorships	Not being an Executive Officer of an entity in which (i) Bouygues directly or indirectly holds a directorship or (ii) an employee of Bouygues is designated as a director or (iii) an Executive Officer of Bouygues (current, or who has held such office within the past five years) holds a directorship.
Criterion 3: Material business relationships	Not being (or not being directly or indirectly related to) a customer, supplier, investment banker, commercial banker or consultant: (i) that is material to Bouygues or its Group; (ii) or for which Bouygues or its Group represents a significant proportion of its business.
Criterion 4: Family ties	Not being related by close family ties to a corporate officer.
Criterion 5: Statutory auditor	Not having been a statutory auditor of Bouygues within the previous five years.
Criterion 6: More than 12 years' service	Not having been a director of Bouygues for more than 12 years. Directors lose their independent status on the twelfth anniversary of their taking up office.
Criterion 7: Non-Executive Officer	Non-Executive Officers cannot be regarded as independent if they receive variable remuneration in cash or shares, or any remuneration related to the performance of Bouygues or its Group.
Criterion 8: Major shareholder	Directors representing major shareholders of Bouygues or of its parent may be regarded as independent provided those shareholders do not take part in the control of Bouygues. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Selection and Remuneration Committee, systematically reviews whether a director qualifies as independent in light of Bouygues' share ownership structure and the existence of any potential conflict of interest.

Situation of directors in light of the independence criteria

Criterion	Criterion 1: Employee or Executive Officer	Criterion 2: Cross-directorships	Criterion 3: Material business relationships	Criterion 4: Family ties	Criterion 5: Statutory auditor	Criterion 6: More than 12 years' service	Criterion 7: Non-Executive Officer	Criterion 8: Major shareholder	Independent director status
Martin Bouygues	■	■	■	■	□	■	■	■	No
Olivier Bouygues	■	■	■	■	□	■	■	■	No
Cyril Bouygues (SCDM Participations)	■	□	■	■	□	□	□	■	No
Edward Bouygues (SCDM)	■	□	■	■	□	□	□	■	No
Bernard Allain	■	□	□	□	□	□	□	□	No
Béatrice Besombes	■	□	□	□	□	□	□	□	No
Raphaëlle Deflesselle	■	□	□	□	□	□	□	■	No
Clara Gaymard	□	□	□	□	□	□	□	□	Yes
Anne-Marie Idrac	□	□	□	□	□	□	□	□	Yes
Colette Lewiner	■ [a]	□	□	□	□	□	□	□	Yes
Benoît Maes	□	□	□	□	□	□	□	□	Yes
Alexandre de Rothschild	□	□	■	□	□	□	□	□	No
Rose-Marie Van Lerberghe	□	□	□	□	□	□	□	□	Yes
Michèle Vilain	■	□	□	□	□	□	□	■	No

□ Independence criterion met. ■ Independence criterion not met.

(a) Colette Lewiner is also a director of Colas, a company 96.8% owned by Bouygues, which may create a conflict of interest during some deliberations of the Bouygues Board of Directors. The Board ensures that in such circumstances she refrains from taking part in deliberations and voting at Bouygues Board meetings. More generally, Colette Lewiner, like other directors, is required to comply with the rules set out in the Conflicts of Interest Compliance Programme, as updated in 2017 (see section 5.3.5.2).

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As regards **criterion 3 (material business relationships),** the Board obtained assurance during its annual review that none of the directors likely to qualify as independent was (or was directly or indirectly related to) a customer, supplier or banker that is material to Bouygues or a Bouygues group company. Drawing on the work of the Selection and Remuneration Committee, the Board made a case-by-case assessment of any existing business relationships between Bouygues group companies and companies in which a director holds a professional position or corporate office.

In accordance with the recommendations of the AMF and the High Committee for Corporate Governance, the Board adopted a multi-criteria approach when considering material business relationships, while favouring a qualitative analysis. To this end, the Board took account of all the following criteria:

Qualitative criteria	• The extent of the business relationship for each of the entities concerned (potential economic dependence between the parties, size of transactions, specific characteristics of certain markets, direct interest of the legal entity in the business relationship). • The organisation of the relationship, including the position of the director concerned in the co-contracting company (length of directorship, whether the director has an operational role within the entity concerned, direct decision-making power over contracts, whether the director has a personal interest in the contracts or is entitled to remuneration linked to the contracts, etc.). In this respect, the Board referred to the definition contained in the Conflicts of Interest Compliance Programme approved by the Board in 2014: "*There is a conflict of interest when the personal interests of an employee, senior executive or executive officer of the Group are in conflict with or compete with the interests of the Group company they work for. The concept of personal interests should be understood in the broadest sense of the term. It may involve the person's direct interests (material or simply moral) as well as the interests of a closely associated person (someone in their immediate entourage or entity with whom/which they have direct or indirect relationships).*" Additional information about how the Bouygues group manages conflicts of interest is given in section 5.3.5.2.
Quantitative criteria	• Sales generated by Bouygues group entities with entities of the group with which the director has a relationship, measured by comparing that sales figure with the total sales of the Bouygues group. • The volume of purchases made by Bouygues group entities from entities of the group with which the director has a relationship, measured by comparing that volume with the total volume of purchases of the Bouygues group.

Based on the above criteria, the Selection and Remuneration Committee reported to the Board as follows:

Clara Gaymard	Clara Gaymard is co-founder of Raise. She is a director (since 2016) of Veolia Environnement, LVMH, Danone and Sages. The Selection and Remuneration Committee took account of the following factors: • Business relationships exist between Bouygues group entities and entities of the Veolia Environnement, LVMH and Danone groups, but the sales and volume of purchases generated by those business relationships represent only a very small proportion of the business of the groups in question. • There is no relationship of economic dependence, exclusivity or dominance in the sectors in which the Veolia Environnement, LVMH and Danone groups have business relationships with the Bouygues group. • The business relationships arise in the normal course of business and in an ordinary competitive environment. • Those business relationships do not involve Bouygues SA directly, but only certain subsidiaries or sub-subsidiaries. • The Bouygues Board of Directors in no way interferes in those business relationships. • Clara Gaymard has no operational role within the Veolia Environnement, LVMH and Danone groups. She has no decision-making power over the selection of service providers or the awarding, implementation or management of the contracts involved in the business relationships. • She receives no remuneration from and has no personal interest in the contracts in question. • The directorships or positions that she holds within the Veolia Environnement, LVMH and Danone groups are recent. • In 2014, Bouygues SA took a decision to invest €10 million in a Raise investment fund. It decided to invest a further €5 million in a new Raise investment fund in 2018. The Board of Directors takes the view that those investments do not undermine the independence of Clara Gaymard, given: ▪ the specific aims of those funds (support for innovative French businesses, and the existence of a philanthropic endowment fund dedicated to start-ups); and ▪ the immateriality of the interest held by Bouygues in the fund's capital.

Anne-Marie Idrac	Anne-Marie Idrac is a director of Saint-Gobain (since 2011), Total (since 2012), Air France-KLM (since 2017), and Sanef (since 2019). She is a Senior Advisor to Sia Partners. In October 2017, she was appointed High Representative for the French government strategy on driverless vehicles. The Selection and Remuneration Committee took account of the following factors: • Business relationships exist between Bouygues group entities and entities of the Saint-Gobain, Sia Partners, Total, Air France-KLM and Sanef groups, but the sales and volume of purchases generated by those business relationships represent only a very small proportion of the business of the groups in question. • There is no relationship of economic dependence, exclusivity or dominance in the sectors in which the groups in question have business relationships with the Bouygues group. • The business relationships arise in the normal course of business and in an ordinary competitive environment. • Those business relationships do not involve Bouygues SA directly, but only certain subsidiaries or sub-subsidiaries. • The Bouygues Board of Directors in no way interferes in those business relationships. Anne-Marie Idrac has no operational role within the entities in question. She has no decision-making power over the selection of service providers or the awarding, implementation or management of the contracts involved in the business relationships. • She receives no remuneration from and has no personal interest in the contracts in question.
Colette Lewiner	In addition to her directorships at Bouygues and Colas, Colette Lewiner is a director of Getlink, formerly Eurotunnel (since 2011); EDF (since 2014); and CGG (since 2018). She is also Advisor to the Chairman of Capgemini, a company where she has spent most of her career. The Selection and Remuneration Committee took account of the following factors: • Business relationships exist between Bouygues group entities and entities of the Capgemini group, but the sales and volume of purchases generated by those business relationships represent only a very small proportion of the business of the groups in question. • However, there are more material business relationships between Bouygues group entities and entities of the EDF group, due to a number of ongoing projects. In 2020, Bouygues Construction generated 4% of its consolidated sales from dealings with the EDF group. In 2017, EDF awarded the contract for construction of the buildings housing two nuclear reactors at the Hinkley Point C plant in the UK to Bouygues Construction subsidiary Bouygues Travaux Publics, in a partnership with British contractor Laing O'Rourke. The Bouygues Construction share in the deal amounts to over €1.7 billion. However, the Board takes the view that those business relationships do not impair the independence of Colette Lewiner, in light of the factors described below. • There is no relationship of economic dependence, exclusivity or dominance in the sectors in which the groups in question have business relationships with the Bouygues group. • The business relationships arise in the normal course of business and in an ordinary competitive environment. • For the most part, those business relationships do not involve Bouygues SA directly, but only certain subsidiaries or sub-subsidiaries. • The Bouygues Board of Directors in no way interferes in those business relationships. Colette Lewiner has no operational role within the entities in question. She has no decision-making power over the selection of service providers or the awarding, implementation or management of the contracts involved in the business relationships. • She receives no remuneration from and has no personal interest in the contracts in question.
Benoît Maes	• Apart from his directorship at Bouygues SA, Benoît Maes holds no other directorship or salaried employment within or outside the Bouygues group. The Selection and Remuneration Committee determined that Benoît Maes qualifies as an independent director in accordance with the Afep-Medef Code.
Rose-Marie Van Lerberghe	Rose-Marie Van Lerberghe chairs the Board of Directors of Orchestre des Champs-Elysées (since 2015). She is also a director of Fondation Hôpital Saint-Joseph (since 2011), a member of the supervisory board of Klépierre (since 2012) and a director of CNP Assurances (since 2013). She was appointed Vice-Chairwoman of Klépierre in June 2017. The Selection and Remuneration Committee took account of the following factors: • Business relationships exist between Bouygues group entities and entities of the CNP Assurances and Klépierre groups, but the sales and volume of purchases generated by those business relationships represent only a very small proportion of the business of the groups in question. • There is no relationship of economic dependence, exclusivity or dominance in the sectors in which the groups in question have business relationships with the Bouygues group. • The business relationships arise in the normal course of business and in an ordinary competitive environment. • Those business relationships do not involve Bouygues SA directly, but only certain subsidiaries or sub-subsidiaries. • The Bouygues Board of Directors in no way interferes in those business relationships. Rose-Marie Van Lerberghe has no operational role within the entities in question. She has no decision-making power over the selection of service providers or the awarding, implementation or management of the contracts involved in the business relationships. • She receives no remuneration from and has no personal interest in the contracts in question.

In light of the above, the Board takes the view that the business relationships described above are not of a material nature such as to create conflicts of interest or impair the independence of the five directors in question. In any event, if the Board were to examine a transaction involving any of the entities concerned, the director in question would refrain from taking part in the deliberations and voting on that matter (see section 5.3.5.2).

Proportion of independent directors

According to the Afep-Medef Code, at least 50% of Board members of a widely-held company without controlling shareholders should be independent.

Those proportions do not take into account directors representing employee shareholders or representing employees.

As of 31 December 2020, five of the ten members of the Bouygues Board of Directors (50%) were independent.

At the conclusion of the Annual General Meeting on 22 April 2021, the percentage of independent directors would (subject to approval of the resolutions on the renewal of the term of office of one director and the appointment of a new director) remain at 50%.

5.3.3 Conditions for preparing and organising the Board's work

5.3.3.1 Rules of Procedure of the Board of Directors

Since 2002, the Rules of Procedure have clarified the conditions under which the work of the Board of Directors is prepared and organised. The Rules of Procedure are reviewed regularly and are amended to comply with:

- changes in laws and regulations and to the Afep-Medef Code;
- recommendations issued by the AMF;
- Bouygues' internal control principles.

The main provisions of the Rules of Procedure are summarised in the present report. The full text can be downloaded from the company's website www.bouygues.com under Group, Corporate governance, Board of Directors.

5.3.3.2 Powers of the Board of Directors

The powers and remit of the Board of Directors are laid down by law and by the Afep-Medef Code. In addition, the Rules of Procedure of the Board of Directors specify the following:

- the Board promotes the creation of long-term value by the company while taking account of the social and environmental issues relating to its activities;
- the Board, with the assistance of an ad hoc committee if needed, determines the company's strategic priorities, and examines and makes decisions on major transactions;
- the strategic priorities, business plans and financing policy for the business segments and the Group are presented to the Board for approval;
- the Board must give its prior approval for any transaction regarded as being of major significance for the Group including investments in organic growth, external acquisitions, disposals, or internal restructuring, particularly where the transaction is outside the scope of the company's stated strategy;
- Board authorisation is required for major financing transactions within the framework of Article L. 411-2 of the Monetary and Financial Code, as well as for the principal guarantees and major commitments;
- the Board exercises control over management and oversees the quality of the information supplied to shareholders and to the markets, in particular through the financial statements and in connection with major transactions;
- the Board performs regular reviews of opportunities and risks, including risks of a financial, legal, operational, social or environmental nature, and assesses their impact on the strategy determined by the Board as well as initiatives taken as a consequence; to that end, the Board receives all the information necessary to fulfil its remit, especially from the Executive Officers;
- the Board determines, subject to the powers reserved by law for general meetings of shareholders, the remuneration of the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers;
- the Board deliberates annually on company policy on workplace equality and equal pay;
- the Board obtains assurance that mechanisms are in place to prevent and detect corruption and influence peddling, and receives all the necessary information to that end;
- acting on proposals from senior management, the Board sets gender balance objectives for the executive bodies, and includes in the Report on corporate governance a description of the gender balance policy applied to executive bodies; the objectives of that policy; how the policy is implemented, and the outcomes achieved in the last financial year; and where applicable, the reasons why the objectives have not been met, and steps taken to remedy the situation;
- the Board also obtains assurance that senior management applies a policy of non-discrimination and diversity, especially in terms of gender parity on executive bodies;
- the Board approves regulated agreements under the conditions laid down by law; and
- the Board implements a procedure that regularly assesses whether ordinary agreements contracted on an arm's length basis meet those conditions.

5.3.3.3 Calling of meetings, quorum and majority rules

Under the articles of association:

- the Board of Directors meets as often as necessary in the interests of the company. Meetings are called by the Chairman and may take place at the registered office or any other venue and may be convened in any way, including orally;
- meetings are only quorate when at least half of the Board members are in attendance;
- decisions are taken by a majority of the directors present or represented;
- in the event of a tie, the Chairman of the meeting has the casting vote.

The Rules of Procedure stipulate that any director who participates in a Board meeting by video-conferencing, or any other telecommunications method with technical characteristics that allow directors to be identified and participate fully in the meeting, is deemed to be in attendance for the purposes of quorum and majority. As required by law, this provision does not apply to decisions on the preparation of the full-year parent company and consolidated financial statements or the management report.

5.3.3.4 Board meetings

The Board of Directors meets in ordinary session at least five times a year:

- In January, the Board reviews the Group's estimated sales and earnings for the previous financial year, and the strategic priorities, business plans and the financing policy for the business segments and the Group that are presented to it for approval.
- In February, it closes off the financial statements for the previous financial year, and finalises the text of the reports and draft resolutions to be submitted by the Board to the Combined Annual General Meeting.
- In May, it closes off the first-quarter financial statements.
- In August, it closes off the first-half financial statements.
- In November, it closes off the nine-month financial statements.

Other Board meetings are held as the Group's business requires.

A separate session is held at least once a year at which no Executive Officers are present.

The agenda for meetings held to close the financial statements is in three parts: business review, accounting issues, and legal issues. A detailed file on each part is provided to each director.

The statutory auditors are systematically invited to attend all meetings at which the Board reviews interim or full-year financial statements.

People who are not Board members, whether Bouygues group employees or not, may be invited to attend all or part of Board meetings.

5.3.3.5 Information and training

The Chairman must ensure that each director is provided with all the documents and information needed to perform their duties, including:

- information about market trends, the competitive environment and the main challenges facing the company, including corporate social responsibility issues;
- the information needed to monitor the progress of business activities and in particular sales figures and order books;
- the financial position, and in particular the company's cash position and commitments;
- any event that materially affects the Group's consolidated financial results or that may do so;
- material events in the human resources area and in particular trends in headcount;
- major risks to the company, any change therein, and the steps taken to control them.

Once each quarter, senior management reports to the Board of Directors on the previous quarter's operations and consolidated results.

Directors may obtain additional information on request. The Chairman and Chief Executive Officer and the Deputy Chief Executive Officers, along with the Chief Financial Officer and General Counsel, are always at the Board's disposal to provide explanations and relevant information.

Directors may also meet with the company's principal senior executives, and may do so without the Executive Officers present provided that the latter have been informed beforehand.

Committees tasked by the Board of Directors with addressing specific issues help to keep the Board well informed through their work and reports (see section 5.3.4).

Directors must always receive any document that the company and its subsidiaries have issued to the public, particularly information for shareholders.

Since May 2017, directors have had the use of a secure digital platform to make it easier for them to access relevant documents and information. This platform can also be accessed by the Economic and Social Committee representative on the Board.

Directors may request additional training relating to the company, its business segments and the sectors in which it operates.

As required by law, directors representing employees or employee shareholders also receive specific training.

5.3.4 Work of the Board in 2020

The Board met 13 times during 2020, including one meeting (on 4 May 2020) that due to the exceptional health crisis was held by written consultation in accordance with Order No. 2020-321 of 25 March 2020. The overall attendance rate was 98%. The table below shows the main issues that featured on the agenda of each meeting.

14 January	• Three-year strategy and business plans (2020-2022) for the Group and its business segments. • Mapping of the Group's major risks. • Consultation of the Economic and Social Committee on strategic priorities. • Review of the principal claims and litigation involving the Group. • After the meeting ended, the non-executive directors met without the executive directors or internal directors present, in particular to carry out an evaluation of the Executive Officers and consider future management arrangements.
17 February	• Corporate action: proposed merger of the operations of Alstom and Bombardier Transportation, and authorisation for Bouygues to issue a letter expressing support for and commitment to the merger.
19 February	• 2019 business activity, outlook and objectives of the Group and business segments for 2020. • Closing off the consolidated and parent company financial statements for the 2019 financial year, accounting documents and forecasts, consolidated financial statements, proposed appropriation of profits, and management report. • Composition of the Board and Board committees after the Annual General Meeting of 23 April 2020. • Remuneration of Executive Officers and directors. • Convening of the Combined Annual General Meeting. • Description of the share buyback programme. • Cancellation of shares. • Delegations of financial authority.
27 March	• Position of the Bouygues group in light of the Covid-19 crisis. • Holding of the Combined General Meeting of 23 April 2020 behind closed doors.
1 April	• Review of 2020 full-year guidance for the Bouygues group. • Combined General Meeting of 23 April 2020: appropriation of 2019 profits.
4 May	• Proposal to appoint Benoît Maes as a Board member and chair of the Audit Committee.
13 May	• Closing off the first-quarter 2020 financial statements. • Outlook for the Bouygues group. • Covid-19 crisis: human resources update • Decision on executive management governance arrangements: renewal of the term of office of Martin Bouygues as Chairman and Chief Executive Officer. • Composition of Board committees.
25 June	• Proposed acquisition by Bouygues Telecom of Euro-Information Telecom, a Crédit Mutuel subsidiary.
28 July	• Update on the situation of the business segments. • Liquidity of the Bouygues group and simulations for the 2020-2022 period. • Composition of the Board of Directors and the Selection and Remuneration Committee. • Proposed distribution of dividends. • Remuneration. • Convening of an Ordinary General Meeting. • 2020 stock option plan. • Review of a potential Bouygues Confiance employee share ownership plan.
26 August	• Significant events, key figures, and share price. • Closing off the first-half 2020 financial statements. • Presentation by business segments. • Outlook. • Bouygues group consolidated financial statements as of 30 June 2020, Bouygues parent company financial statements as of 30 June 2020, consolidated financial statements of business segments as of 30 June 2020. • Innovation within the Bouygues group. • Gender balance within the Bouygues group.
29 September	• Corporate action: sale of Alstom shares by Bouygues.
4 November	• Corporate action: proposal to subscribe to the Alstom rights issue.
18 November	• Significant events and key figures. • Closing off the nine-month 2020 financial statements. • Review of operations. • Outlook. • Bouygues group consolidated financial statements as of 30 September 2020, Bouygues parent company financial statements as of 30 September 2020, consolidated financial statements of business segments as of 30 September 2020. • Subscription to the Alstom rights issue. • Bouygues group Climate strategy: method and process. • Information systems security within the Bouygues group. • Annual evaluation of the Board of Directors. • Regulated agreements.

5.3.5 Board committees

The committees of the Board of Directors examine issues submitted to them for an opinion by the Board or its Chairman as well as matters assigned to them by the Rules of Procedure or by law. The Bouygues group has three Board committees:

- Audit Committee;
- Selection and Remuneration Committee;
- Ethics, CSR and Patronage Committee.

Annexes to the Rules of Procedure, the content of which is indicated below, define the composition, remit and rules for the operation of the three committees. Executive Officers and salaried directors of Bouygues (other than directors representing employees or directors representing employee shareholders) cannot sit on the committees. The committees are chaired by independent directors.

Each committee may, if it deems fit, commission technical research from third parties in areas within its competence, subject to the principles contained in the Afep-Medef Code.

The Board determines the membership and remits of the committees, which perform their activities under the Board's responsibility. The Board appoints the committee members from among the directors.

5.3.5.1 Audit Committee

The Accounts Committee was formed in 1996, and renamed the Audit Committee in 2019. The Committee comprises the following directors:

CHAIRMAN	Benoît Maes	Independent director
MEMBERS	Clara Gaymard	Independent director
	Anne-Marie Idrac	Independent director
	Michèle Vilain	Director representing employee shareholders

During 2020, the composition of the Audit Committee changed as follows:

Date	Departure	New member
23 April 2020	Helman le Pas de Sécheval	
4 May 2020		Benoît Maes

Three members of the Committee have particularly extensive skills and experience in financial matters.

- Benoît Maes has served as Chief Audit and Actuarial Officer at Groupama; Chief Executive Officer of Gan Assurances and Groupama Gan Vie; and Group Chief Financial Officer of Groupama SA.
- Clara Gaymard has been an auditor at the Cour des Comptes state audit office and has held executive functions in the General Electric group.
- Anne-Marie Idrac has been director general at the Public Development Agency (EPA) of Cergy-Pontoise, and Chair and CEO of the RATP (Paris public transport authority) and of the SNCF (French state railways).

Remit

In accordance with the provisions of applicable French and European legislation as well as the Afep-Medef Code, the Audit Committee, acting under the responsibility of the Board of Directors, is responsible for overseeing:

- the process for preparing accounting and financial information;
- internal control and risk management systems relating to accounting, financial and extra-financial matters; and
- matters relating to the statutory auditors.

In accordance with paragraph 16.3 of the Afep-Medef Code, the company ensures that Committee members are supplied with the relevant files sufficiently far in advance (between one-and-a-half and four days ahead of each Committee meeting) for them to have time to examine those files properly before the Committee meeting. A digital platform was put in place in 2017 to make it easier to access documents on a timely basis.

Subject	Detailed description
Oversight of the process for preparing financial and extra-financial information	• Reviewing the parent company and consolidated financial statements and the statement of extra-financial performance. • Obtaining assurance that the accounting policies used in drawing up those financial statements are relevant and consistent. • Reviewing any changes that have a material impact on the financial statements. • Reviewing the principal optional treatments applied at the accounting close, key estimates and judgments, and the main changes in the scope of consolidation. • Making recommendations to ensure the integrity of financial information.
Oversight of the effectiveness of internal control and risk management systems, and of internal audit, as regards procedures for preparing and processing accounting, financial and extra-financial information	• Reviewing internal control procedures relating to the preparation of the financial statements, in conjunction with internal departments and qualified advisors. • Reviewing the key accounting, financial, social and environmental risks faced by the company, any changes in those risks, and the arrangements put in place to manage them. • Performing an annual review of the key risks faced by the company, including social and environmental risks, any changes in those risks, and the arrangements put in place to manage them. • Reviewing key information systems risks. • Performing an annual review of the company's internal control assessment.
Oversight of matters related to the statutory auditors	• Organising the selection procedure as specified in the relevant laws and regulations with a view to the appointment of the statutory auditors by the Annual General Meeting. • Making recommendations to the Board on the statutory auditors proposed for appointment or reappointment at Annual General Meetings. • Overseeing execution by the statutory auditors of their engagement. • Obtaining assurance that the statutory auditors are in compliance with the independence criteria specified in the applicable laws and regulations, in particular examining the allocation of fees paid by the company itself and by Group companies between each statutory auditor (including members of their networks), including fees paid for non-audit services. • Approving the provision of any non-audit services that may be provided by the statutory auditors or by members of their networks, having first analysed the risks posed to the independence of the statutory auditors and the protective measures applied by them. • Reporting to the Board of Directors on the outcomes of the statutory audit engagement, the way in which that engagement contributed to the integrity of financial information, and the role played by the Audit Committee in that process.
Specific tasks	• In addition to carrying out general and regular checks, the Committee selects specific topics for in-depth review, such as the consequences of disposals or acquisitions. It reviews the accounting treatment of key risks to which Group companies are exposed, in particular country risk, or (for example) risks involved in the execution of certain projects at Bouygues Construction. The Committee pays particular attention to changes in accounting policy and to optional treatments applied at the accounting close.
Reporting to the Board of Directors	• The Audit Committee reports to the Board of Directors and issues recommendations on the matters described above, both periodically at accounting closes and whenever warranted by a specific event. It informs the Board promptly of any difficulty encountered.

The Audit Committee reviews the section on internal control and risk management included in the draft Report on corporate governance, and communicates any observations it may have on that draft.

Operation

At the time of their appointment, Audit Committee members are provided with information concerning the company's specific accounting, financial and operational characteristics.

Audit Committee meetings are valid only if two or more of its members, including its Chairman, are in attendance. Meetings are called by the Chair of the Committee, or at the request of the Chairman of the Board of Directors. The Committee meets at least four times each year to examine the quarterly, first-half and full-year financial statements before they are submitted to the Board. The Committee Chairman draws up the agenda. The opinions issued by the Committee are approved by a simple majority of its members. In the event of a tie, the Committee Chairman has the casting vote.

In carrying out its duties, the Committee has access to all accounting and financial documents, as well as all extra-financial information, that it deems useful. It must also meet with the statutory auditors and with senior executives of the company responsible for finance, accounting, sustainable development, cash management and internal audit. If the Committee so requests, such meetings must be held without the company's senior management being present.

The Committee may also have recourse to external experts, as provided for in the Afep-Medef Code.

The statutory auditors present to the Audit Committee a summary of their work and of optional accounting treatments used at the accounting close.

The Committee meets with the statutory auditors at least once a year with no company representative present to ensure that they were given full access to information and that they have all the resources they need to fulfil their duties.

During the examination of the financial statements, the statutory auditors submit to the Audit Committee a memorandum pointing out the essential aspects of the scope of consolidation, the findings of the statutory audit (in particular, any audit adjustments and significant internal control weaknesses identified during their work), and the optional accounting treatments applied. The Chief Financial Officer provides the Committee with a memorandum describing the company's risk exposure and material off-balance sheet commitments.

The statutory auditors' main recommendations are incorporated in an action plan and a follow-up procedure that are presented to the Audit Committee and to senior management at least once a year.

The Audit Committee's discussions and the information provided to it are highly confidential and must not be disclosed outside the Board of Directors, without prejudice to the financial reporting obligations incumbent upon listed companies.

The Audit Committee reports on its work at the next subsequent Board meeting, indicating the specific actions it has taken, its conclusions, and any recommendations it may have. It informs the Board promptly of any difficulty encountered in performing its duties.

Work of the Audit Committee in 2020

The Audit Committee met six times in 2020. The attendance rate was 100%.

The Audit Committee reviewed the full-year parent company financial statements, the quarterly, first-half and full-year consolidated financial statements and the corresponding draft press releases, as well as the section of the management report on internal control and risk management procedures relating to the preparation and treatment of accounting and financial information. The Committee also reviewed other issues, including:

10 January	• Mapping of the Group's major risks. • Internal audit plan for 2020. • Principal claims and litigation.
17 February	• Presentation on the cyber-attack suffered by Bouygues Construction. • Overview of key estimates and significant transactions for the 2019 financial year. • Draft report of the statutory auditors to the Audit Committee. • Overview of audit fees and non-audit services for 2019. • Approval of non-audit services. • Overview of internal audit for 2019. • Overview by statutory auditors of their internal control review. • Draft report on internal control procedures and risk management. • Presentation by statutory auditors. • Overview of fraud for 2019.
11 May	• Overview of key estimates and significant transactions for the first quarter of 2020. • Overview of non-audit services for the first quarter of 2020. • Approval of non-audit services. • Overview of the Group's insurance cover.
24 August	• Key estimates and significant transactions for the first half of 2020. • Overview of non-audit services for the first half of 2020. • Overview of internal audit assignments in the first half of 2020. • Overview of the 2019 internal control assessment. • Update on risk mapping action plans.
12 October	• Reappointment of Bouygues SA statutory auditors.
16 November	• Overview of key estimates and significant transactions for the first nine months of 2020. • Overview of 2020 audit fee budget, and of non-audit services to 30 September 2020. • Approval of non-audit services. • Internal audit plan for 2021. • Cyber-security.

In furtherance of its remit the Audit Committee interviewed Pascal Grangé, Group Senior Vice-President and Chief Financial Officer (in particular on material risks and off-balance sheet commitments of the company), the Group Senior Vice-President, Digital, Innovation and Risks, as well as the head of accounts and consolidation, and the statutory auditors, with and without the Executive Officers being present. The statutory auditors reported to the Committee on the conduct of their engagement and the conclusions of their work, in particular at those meetings that dealt with the process of preparing financial information and with the examination of the financial statements.

5.3.5.2 Selection and Remuneration Committee

The Selection and Remuneration Committee was formed in 2016 by merging the Selection Committee (set up in 1997) and the Remuneration Committee (set up in 1995).

The Committee comprises the following directors:

CHAIRWOMAN	Colette Lewiner	Independent director
MEMBERS	Bernard Allain	Director representing employees
	Benoît Maes	Independent director

The composition of the Selection and Remuneration Committee changed in 2020.

Date	Departures	New members
23 April 2020	Helman le Pas de Sécheval	
4 June 2020	Francis Castagné	
13 May 2020		Benoît Maes
28 July 2020		Bernard Allain

Remit

In accordance with the recommendations of the Afep-Medef Code, the remit of the Selection and Remuneration Committee is as described below:

Subject	Detailed description
Composition of the Board of Directors	• Periodically reviewing issues related to the composition of the Board, and making proposals to the Board on the appointment or reappointment of directors, taking account of the principle of achieving a balance on the Board in terms of independent directors, gender, international experience, expertise, etc. • Organising a procedure for selecting future independent directors, and carrying out its own research on potential candidates before making any approach to them. • Examining regularly, and each time the term of office of Executive Officers is up for renewal, (i) what governance arrangements to adopt (in particular, whether to combine or separate the offices of Chairman and Chief Executive Officer) and making recommendations on this, and (ii) changes in the Group's executive bodies, in particular by liaising with the Chairman to prepare succession plans for Executive Officers, especially in the event of an unforeseen vacancy. • Assessing, on a case by case basis, the situation of each director or candidate for a directorship with respect to the independence criteria, and recommending proposals to the Board. • Anticipating and examining any issues relating to conflicts of interest. • Reviewing proposals to set up Board committees, and suggesting lists of their remits and members. • Reviewing the draft Report on corporate governance, and informing the Board of any observations about that report. • Preparing the evaluation of the Board and of its specialised committees as specified in Article 7 of the Rules of Procedure of the Board of Directors, presenting the Board with a summary report on that evaluation, and making recommendations to improve the composition, organisation and operation of the Board and its specialised committees. • Examining the gender balance policy for executive bodies proposed by senior management, the objectives of that policy, how the policy is implemented, and the outcomes achieved in the last financial year, and making any relevant observations to the Board.
Remuneration	• Reviewing and submitting proposals to the Board on the remuneration policy for corporate officers, with a view to submission of that policy to the Annual General Meeting for approval. • Reviewing and submitting proposals to the Board of Directors on all components of the remuneration and benefits due or likely to be due to the Executive Officers, and in particular: ▪ for variable remuneration components: - proposing methods for determining the objectives for variable remuneration; - checking each year that the rules for setting the variable portion have been correctly applied, and are consistent with the assessment of their performance and with the company's medium/long-term strategy. ▪ for long-term remuneration components: - proposing and setting the terms of long-term remuneration plans; - examining stock option and share ownership plans, and making proposals for awarding such plans to Executive Officers; - making proposals on and monitoring compliance with rules specific to Executive Officers (minimum holding of registered shares and prohibition on use of hedging). • Issuing recommendations on the overall amount of directors' remuneration, and the arrangements for allocating that remuneration between the directors. • Submitting proposals on remuneration and incentive arrangements for the principal senior executives of the company and the Group other than Executive Officers. • Proposing a general policy on the granting of stock options, the allotment of shares free of charge or the awarding of performance shares, and determining the frequency thereof for each category of beneficiary. • Examining annually the draft Report on the remuneration of corporate officers, on the executive remuneration policy, and on stock options or performance shares.

Operation

Selection and Remuneration Committee meetings are called by the Chair of the Committee, or at the request of the Chairman of the Board of Directors. Committee meetings are valid only if two or more of its members, including its Chair, are in attendance. The Committee Chair draws up the agenda.

The opinions issued by the Committee are approved by a simple majority of its members. In the event of a tie, the Chair has the casting vote.

In the course of its work, the Committee may meet with the Chairman of the Board of Directors or any other person designated by him. The Committee may also have recourse to external experts, as provided for in the Afep-Medef Code.

The Committee reports on its work at the next subsequent meeting of the Board of Directors. No Executive Officer may be present when the report on the work of the Committee regarding remuneration is presented to the Board of Directors.

Work of the Selection and Remuneration Committee in 2020

The Selection and Remuneration Committee met five times in 2020. The attendance rate was 100%.

17 February	• Report on the remuneration of corporate officers for the 2019 financial year. • 2019 special report on stock options. • Proposed 2020 remuneration policy. • Long-term remuneration plan. • 2020 stock option plan. • Defined-benefit pension schemes. • Remuneration paid to Committee Chairs. • Review of the composition of the Board and of Board committees. • Proposed reappointment of a director (Alexandre de Rothschild) and appointment of a new independent director. • Group salary policy.
2 March	• Performance criteria and bonuses. • Sign-off of pay-roll information. • Executive pay ratio. • Gender balance index results.
24 July	• Composition of the Board of Directors. • Composition of the Selection and Remuneration Committee. • Remuneration of corporate officers. • Remuneration of heads of business segments. • 2020 stock option plan.
12 November	• Supplementary pension scheme (Article 39 of the General Tax Code). • Evaluation of the Board of Directors and of Board committees.
15 December	• Directors' remuneration. • Increasing the proportion of women on executive bodies. • Consideration of variable executive remuneration criteria for 2021.

5.3.5.3 Ethics, CSR and Patronage Committee

The Ethics, CSR and Patronage Committee was set up in 2001, and currently comprises the following directors:

CHAIRWOMAN	Anne-Marie Idrac	Independent director
MEMBERS	Raphaëlle Deflesselle	Director representing employee shareholders
	Rose-Marie Van Lerberghe	Independent director

The composition of the Ethics, CSR and Patronage Committee did not change in 2020.

Remit

The remit of the Ethics, CSR and Patronage Committee is as follows:

Subject	Detailed description
Ethics	• Helping define rules of conduct and guiding principles to be followed by senior executives and other employees. • Issuing recommendations or opinions on initiatives aimed at promoting best practice in this area. • Monitoring compliance with these values and rules of conduct. • Examining and giving an opinion on the system put in place by the Group to prevent and detect corruption.
CSR	• Examining, at least once a year, issues encountered by the Group in terms of environmental, corporate and social responsibility. • Examining and giving an opinion to the Board on the extra-financial compliance declaration required pursuant to Article L. 225-102-1 of the Commercial Code. • Examining and giving an opinion on the vigilance plan required pursuant to Article L. 225-102-4 of the Commercial Code.
Patronage	• Setting rules or making recommendations for Bouygues to follow. • Giving its opinion to the Chairman of the Board on patronage initiatives proposed by Bouygues when they represent a significant financial commitment. • Ensuring that its recommendations are implemented and that these initiatives are properly carried out.

Operation

Ethics, CSR and Patronage Committee meetings are called by the Chair of the Committee, or at the request of the Chairman of the Board of Directors. In the course of its work, the Committee may meet with the Chairman of the Board of Directors or any other person designated by him. The Committee reports on its work at the next subsequent meeting of the Board of Directors.

Work of the Ethics, CSR and Patronage Committee in 2020

The Ethics, CSR and Patronage Committee met five times in 2020. The attendance rate was 100%.

13 March	• Presentation of the CSR report, and progress report on Climate strategy. • CSR: report on the verification of extra-financial information. • Extra-financial criteria: 2020 bonuses. • Presentation on inspections by the French Anti-corruption Agency (AFA). • Patronage and sponsorship matters.
24 June	• CSR update. Progress report on Climate strategy. • Presentation of the vigilance plan for 2019. • Update on AFA inspections. • Rewriting of codes of conduct and compliance programmes. • Patronage and sponsorship matters. • Ethical compliance update.
18 September	• CSR update – Positive Economy Hybrid Building presentation. • Patronage and sponsorship matters. • Ethical matters: AFA inspections, rewriting of codes of conduct and compliance programmes, number of whistle-blowing alerts within the Group.
13 November	• CSR update – presentation of the Group Climate strategy (methodological aspects). • Patronage and sponsorship matters.
11 December	• CSR update – presentation of the Climate strategy (quantified objectives for each business segment).

5.3.6 Ethical conduct

The directors of Bouygues are required to comply with all the rules of conduct listed in paragraph 20 of the Afep-Medef Code, and with the Code of Conduct appended to the Rules of Procedure of the Board of Directors. These documents are available on the Bouygues website.

The Code of Conduct includes detailed requirements regarding directors' duty to be informed, regular attendance, limitations on multiple directorships, preventing and managing conflicts of interest, holding shares in the company, confidentiality, and detailed measures for the prevention of insider dealing.

The compliance programmes approved in 2014 by the Board of Directors, then updated and supplemented in 2017, include rules relating to ethical conduct in securities trading and the prevention of conflicts of interest.

5.3.6.1 Rules related to regular attendance and multiple directorships

The Code of Conduct states that directors must devote the necessary time and attention to their functions. They must attend and participate regularly in the meetings of the Board and of any committees of which they are a member. Remuneration paid to directors and committee members includes a variable portion of 70%, calculated on the basis of attendance at meetings (see section 5.4.1.3).

All directors are required to comply with the instructions set out in the Commercial Code governing multiple directorships in *Sociétés Anonymes* (public limited companies), as well as the recommendations of the Afep-Medef Code according to which:

- Executive Officers must not hold more than two other directorships in listed companies outside their group, including foreign companies, and must seek the opinion of the Board before accepting a new directorship in a listed company;
- directors must not hold more than four other directorships in listed companies outside their group, including foreign companies. This recommendation applies at the time of their appointment or of the next renewal of their term of office;
- directors must inform the Board of directorships held in other companies, including their involvement in the board committees of those companies, whether French or foreign.

As far as the Board of Directors is aware, all of the directors are in compliance with all these rules.

Attendance rates of Board and committee members

The table below shows attendance rates of directors at Board and Committee meetings; bear in mind that due to the exceptional health crisis, the meeting of 4 May 2020 was held by written consultation in accordance with Order No. 2020-321 of 25 March 2020:

	Board of Directors	Audit Committee	Selection and Remuneration Committee	Ethics, CSR and Patronage Committee
Martin Bouygues Chairman and CEO	13/13 (100%)			
Olivier Bouygues	13/13 (100%)			
Charlotte Bouygues (standing representative of SCDM – until 11 June 2020)	7/7 (100%)			
Edward Bouygues (standing representative of SCDM – appointed 11 June 2020)	6/6 (100%)			
William Bouygues (standing representative of SCDM Participations – until 11 June 2020)	7/7 (100%)			
Cyril Bouygues (standing representative of SCDM Participations – appointed 11 June 2020)	/6 (100%)			
Bernard Allain (director representing employees – nominated 4 June 2020)	6/6 (100%)		2/2 (100%)	
Béatrice Besombes (director representing employees – nominated 4 June 2020)	5/6 (83.33%)			
Francis Castagné (director representing employees – term of office expired 23 April 2020)	7/7 (100%)		2/2 (100%)	
Raphaëlle Deflesselle (director representing employee shareholders)	5/5 (100%)			5/5 (100%)
Clara Gaymard	13/13 (100%)	6/6 (100%)		
Anne-Marie Idrac	13/13 (100%)	6/6 (100%)		5/5 (100%)
Helman le Pas de Sécheval (term of office expired 23 April 2020)	5/5 (100%)	2/2 (100%)	2/2 (100%)	
Colette Lewiner	11/13 (84.6%)		5/5 (100%)	
Benoît Maes (appointed 23 April 2020)	8/8 (100%)	4/4 (100%)		
Alexandre de Rothschild	13/13 (100%)			
Rose-Marie Van Lerberghe	12/13 (92.3%)			5/5 (100%)
Michèle Vilain (director representing employee shareholders)	13/13 (100%)	6/6 (100%)		
Average	**98%**	**100%**	**100%**	**100%**

5.3.6.2 Rules on preventing and managing conflicts of interest

The Code of Conduct for directors appended to the Rules of Procedure of the Board of Directors sets forth specific measures on conflicts of interest.

A compliance programme on conflicts of interest was adopted by the Board of Directors in 2014 and updated in 2017. The aim of this programme is to cover situations in which a Bouygues group employee or senior executive faces a conflict of interest in connection with his or her professional activity or office.

The provisions of the Conflicts of Interest Compliance Programme relating to directors and Executive Officers are as follows:

"Directors and Executive Officers of all Group companies are required to pay special care and attention to conflicts of interest."

"Specific regulations on so-called "regulated agreements" deal with conflicts of interest that may arise between the company and its senior executives — Chief Executive Officer, Deputy CEOs, directors, chairman of a simplified limited company (*Société par Actions Simplifiée* – SAS), etc. — or between the company and a shareholder with more than 10% of the company's voting rights (or an entity controlling such a shareholder) as a result of (i) agreements between them and the company; (ii) agreements in which the senior executive or shareholder may indirectly have an interest; or (iii) agreements between two companies with common senior executives."

"Those regulations must be strictly applied within the Group. Legal departments should make sure that the regulations on regulated agreements and the Bouygues group Internal Charter on Regulated Agreements are strictly observed."

"Directors and Executive Officers should inform their board of directors of any conflict of interest, even potential, between their duties to the company and their private interests. The chairman of a board may at any time ask directors and non-voting directors to provide a written statement confirming that they are not subject to a conflict of interest."

"Directors must refrain from voting on any issue that concerns them directly or indirectly. In some cases, this obligation to refrain from voting may even require the relevant person not to attend meetings and not to have sight of the documents about the issue in question."

"Directors and Executive Officers must not engage in any activity that would place them in a conflict of interest situation and must not hold an interest in a client, supplier or rival company if such an investment might influence their behaviour in the performance of their duties."

The Code of Conduct contains identical measures.

As of the date of this report, the company is aware of the following potential conflicts of interest:

- major shareholders of the Group (SCDM, SCDM Participations and Group employee shareholders) are directly or indirectly represented on the Board of Directors by Martin Bouygues, Olivier Bouygues, Cyril Bouygues, Edward Bouygues, Raphaëlle Deflesselle and Michèle Vilain;
- Martin Bouygues, Olivier Bouygues, Cyril Bouygues and Edward Bouygues have family ties with one another. The company is not aware of other family ties between Board members;
- Cyril Bouygues, Edward Bouygues, Raphaëlle Deflesselle, Michèle Vilain, Béatrice Besombes and Bernard Allain are bound by employment contracts with Bouygues subsidiaries;
- potential conflicts of interest exist because some of the directors hold functions or directorships in other companies. A list of those functions or directorships is set out above (see section 5.1);
- Martin Bouygues, Olivier Bouygues and Colette Lewiner hold directorships in Bouygues subsidiaries.

As far as the company is aware:

- as of the date of this report there are no other potential conflicts of interest between the duties of any member of the Board of Directors to the company and their private interests or other duties;
- subject to the agreement between SCDM and Bouygues, none of the members of the Bouygues Board of Directors is linked to the company or any of its subsidiaries by a service agreement providing for benefits.

The auditors' special report (see section 8.3.1) details the regulated agreements and commitments authorised by the Board, and identifies the Board members who abstained from voting because of actual or potential conflicts of interest.

5.3.6.3 Regulated agreements and ordinary agreements

The Bouygues group Internal Charter on Regulated Agreements, approved by the Board of Directors, is available on www.bouygues.com. The Charter, which was updated in November 2019, makes it easier for Bouygues group companies to identify:

- agreements which must be subject to the regulated agreements procedure (prior authorisation from the Board of Directors, auditors' special report, approval by the Annual General Meeting);
- ordinary agreements contracted on an arm's length basis, which are not subject to the regulated agreements procedure.

In compliance with a requirement introduced by the Pacte law, the Board meeting of 13 November 2019 approved a procedure to regularly assess whether ordinary agreements contracted on an arm's length basis meet the relevant conditions. The procedure, which is contained in the Internal Charter on Regulated Agreements published on the corporate website, is described below.

- The Legal Affairs department of the business segment involved and (where applicable) the Group Legal Affairs department – with support from the Finance department in some cases – assesses whether an agreement qualifies as regulated or ordinary. Where an agreement is entered into between Bouygues SA and one of the business segments, this assessment is conducted by the General Counsel of Bouygues SA. If there is uncertainty about whether an agreement qualifies as regulated or ordinary, the statutory auditors may be asked for an opinion.

Any new agreement is assessed with reference to a list drawn up by the Group, showing the various types of agreement that are presumed to be ordinary.

Once a year, the Board of Directors examines agreements entered into and authorised during previous financial years under which transactions continued in the most recent financial year. At the same meeting, a report is made to the Board on the application of the procedure, and the relevance of the criteria, for assessing ordinary agreements contracted on an arm's length basis.

Regulated agreements authorised by the Bouygues Board of Directors but not yet approved by the Annual General Meeting are described in the Board of Directors' report on the resolutions (see section 8.2) as well as in the auditors' special report (section 8.3.1). This report also mentions regulated agreements for which the effects continue over time.

The Board of Directors reviews such continuing agreements every year. Only new agreements are submitted to the Annual General Meeting for approval.

5.3.6.4 Declarations

As far as the company is aware, during the last five years no member of the Board of Directors has been:

- found guilty of fraud, incriminated or subject to official public sanction by any statutory or regulatory body;
- associated, in the capacity of senior executive, with any insolvency, compulsory administration or liquidation proceedings;
- prevented by a court from acting as a member of an issuer's administrative, management or supervisory body or from being involved in an issuer's management or the conduct of its business.

5.3.6.5 Restrictions agreed to by the members of the Board of Directors in relation to the sale of their shares in the company

The articles of association stipulate that each director, with the exception of the directors representing employees, must hold at least ten shares in the company. The Rules of Procedure recommend that each director own at least 500 shares in the company.

In addition, when awarding stock options or performance shares, the Board of Directors must determine the number of performance shares or shares arising from exercise of options that Executive Officers are required to retain until they cease to hold office (see section 6.4.1).

Subject to the above, the members of the Board of Directors have not agreed to any restriction in relation to the sale of their investment in the capital of the company, with the exception of the rules relating to the prevention of insider dealing.

5.3.6.6 Prevention of insider dealing

All Bouygues directors are required to comply with the Code of Conduct rules on the prevention of insider dealing. The Code of Conduct is set out in Annex 1 of the Rules of Procedure of the Board of Directors, accessible on the Bouygues website. The Financial Information and Securities Trading Compliance Programme, adopted by the Board in 2014 and updated in 2017, sets out and supplements those rules.

5.3.7 Evaluation of the Board of Directors

The Rules of Procedure of the Board of Directors stipulate that the Board should periodically evaluate its ability to meet shareholders' expectations by reviewing its composition, organisation and operation, and by undertaking a similar review of Board committees.

Consequently, every year the Board includes on its agenda a discussion on the way in which the Board operates.

In accordance with the recommendations of the Afep-Medef Code, this formal evaluation has three objectives:

- assess the way in which the Board and its committees operate;
- check that important issues are suitably prepared and debated;
- measure the actual contribution of each director to the Board's work through his or her competence and involvement in discussions.

Shareholders are informed each year in the Universal Registration Document that an evaluation has been performed and what action is being taken as a result.

On 18 November 2020, the Board of Directors carried out a formal evaluation of its organisation and operation, based on questionnaires completed by directors and committee members. Directors were also invited to have discussions with the General Counsel to ensure they were as well prepared as possible for the meeting, and to contact the Chair of the Selection and Remuneration Committee or the Chairman and CEO if they wished to discuss other issues on a more informal basis.

The response rate was 100%. The anonymised responses were reviewed by the General Counsel, in liaison with the members of the Selection and Remuneration Committee, and compared with those from previous years in order to assess what progress had been achieved and what still needed to be done.

The main conclusions of the evaluation were as follows:

General evaluation	• Board and its committees operating well. • Good quality of discussion. • Good level of contribution by each director to the work of the Board. • Frank, open and constructive dialogue between the Board and senior management, especially as regards managing the consequences of the pandemic.
Progress achieved	The observations or wishes expressed by directors in recent years have been taken into account: • The number of directors has been reduced. • The proportion of women on the Board has been increased. • The level of directors' remuneration was revised upward with effect from 1 January 2020. • Since 2017, the annual evaluation of the Board and its committees has been carried out under the direction of the Selection and Remuneration Committee. • The proportion of independent directors has been increased, and has remained at 50% since the 2019 Annual General Meeting.
Areas for improvement	The following suggestions were made by certain directors at the end of 2020: • Ensure the Board is subject to an external evaluation every three years. • Scale up discussions, especially at the annual Board meeting dedicated to strategy. • Arrange for continuing professional development sessions to complement existing induction training.

5.3.8 Delegations of authority to increase the share capital conferred on the Board of Directors

As required by paragraph 3 of Article L. 225-37-4 of the Commercial Code, the table below summarises financial authorisations to increase the share capital conferred on the Board of Directors by the Annual General Meeting and currently in force, and the use made of such authorisations during 2020.

The only authorisation used during 2020 was that allowing the Board to grant options to acquire new shares.

	Purpose	Maximum nominal amount	Expiry/Duration	Use in 2020
1	Increase the share capital with pre-emptive rights for existing shareholders (AGM of 25 April 2019, Resolution 22)	• Capital increase: €150 million • Issuance of debt securities: €7 billion	25 June 2021 (26 months)	None
2	Increase the share capital by incorporating share premium, reserves or earnings into capital (AGM of 25 April 2019, Resolution 23)	• €4 billion	25 June 2021 (26 months)	None
3	Increase the share capital by way of public offering without pre-emptive rights for existing shareholders (AGM of 25 April 2019, Resolution 24)	• Capital increase: €85 million [a] • Issuance of debt securities: €4 billion [a]	25 June 2021 (26 months)	None
4	Increase the share capital by way of private placement (AGM of 25 April 2019, Resolution 25)	• Capital increase: 20% of the share capital over 12 months and €75 million [a] • Issuance of debt securities: €3.5 billion [a]	25 June 2021 (26 months)	None
5	Set the price for immediate or future issues of equity securities by way of public offering or private placement, without pre-emptive rights for existing shareholders (AGM of 25 April 2019, Resolution 26)	• 10% of the share capital in any 12-month period	25 June 2021 (26 months)	None
6	Increase the number of securities to be issued in the event of a capital increase with or without pre-emptive rights for existing shareholders (AGM of 25 April 2019, Resolution 27)	• 15% of the initial issue	25 June 2021 (26 months)	None
7	Increase the share capital as consideration for contributions in kind consisting of another company's equity securities or securities giving access to the capital of another company, outside of a public exchange offer (AGM of 25 April 2019, Resolution 28)	• 10% of the share capital [a] • Issuance of debt securities: • €1.75 billion [a]	25 June 2021 (26 months)	None
8	Increase the share capital as consideration for securities tendered to a public exchange offer initiated by Bouygues (AGM of 25 April 2019, Resolution 29)	• Capital increase: €85 million [a] • Issuance of debt securities: €4 billion [a]	25 June 2021 (26 months)	None
9	Issue shares following the issue by a Bouygues subsidiary of securities giving access to shares in Bouygues (AGM of 25 April 2019, Resolution 30)	• Capital increase: €85 million [a]	25 June 2021 (26 months)	None
10	Increase the share capital for the benefit of employees or corporate officers who are members of a company savings scheme (AGM of 25 April 2019, Resolution 31)	• 5% of the share capital	25 June 2021 (26 months)	None
11	Grant options to acquire new and/or existing shares (AGM of 25 April 2019, Resolution 32)	• 2% of the share capital (Executive Officers: 0.25% of the share capital)	25 June 2021 (26 months)	2,830,000 stock subscription options granted to 696 beneficiaries on 8 October 2020 at a subscription price of €30.53
12	Allot existing or new shares free of charge (AGM of 25 April 2019, Resolution 33)	• 1% of the share capital (Executive Officers: 0.125% of the share capital)	25 June 2021 (26 months)	None
13	Issue equity warrants during the period of a public offer (AGM of 23 April 2020, Resolution 16)	• Capital increase: €95 million and 25% of the share capital • The number of warrants is capped at one-quarter of the number of existing shares and at 95 million	23 October 2021 (18 months)	None

(a) Counts towards the overall ceiling specified in point 1.

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5.4 REMUNERATION OF CORPORATE OFFICERS OF BOUYGUES SA

5.4.1 Remuneration policy

This remuneration policy has been prepared on the basis of the information required by Article L. 22-10-8 of the Commercial Code.

It was signed off at the Board meeting of 17 February 2021, on the recommendation of the Selection and Remuneration Committee, and reflects the change in governance arrangements.

The Board of Directors ensures that the remuneration policy applied to corporate officers is in the interests of the company, is aligned on its commercial strategy, and helps promote performance and competitiveness over the long term in order to safeguard the company's future.

At that meeting, acting on a proposal from Martin Bouygues and a recommendation from the Selection and Remuneration Committee, the Board decided to separate the offices of Chairman of the Board of Directors and Chief Executive Officer with immediate effect. Martin Bouygues continues to serve as Chairman of the Board of Directors. Olivier Roussat assumes the office of Chief Executive Officer, assisted by two new Deputy Chief Executive Officers: Edward Bouygues and Pascal Grangé.

This means that during the 2021 financial year, there are two phases in the governance of Bouygues:

- from 1 January 2021 to the Board meeting of 17 February 2021: governance structure consisting of a Chairman and Chief Executive Officer (Martin Bouygues) and a Deputy Chief Executive Officer (Olivier Roussat);
- after the close of the Board meeting of 17 February 2021: a new governance structure consisting of a Chairman of the Board of Directors (Martin Bouygues), a Chief Executive Officer (Olivier Roussat), and two new Deputy Chief Executive Officers (Edward Bouygues and Pascal Grangé).

In addition to a presentation of the general principles of the remuneration policy applied to all corporate officers (section 5.4.1.1), the other sections below relate to:

- the remuneration policy applied to each individual corporate officer (section 5.4.1.2);
- the remuneration policy applied to directors (section 5.4.1.3).

This remuneration policy is being submitted for approval by the Annual General Meeting on 22 April 2021, in the fifth and sixth resolutions.

5.4.1.1 Remuneration policy applied to all corporate officers

General principles for determining, reviewing and implementing the remuneration policy for corporate officers

Bouygues is well aware that the mindset and skills of the people who make up the Bouygues group are the sources of its success and progress. That is why the Group seeks to implement, across all entities and in every country, a remuneration policy that aims to reward people for attaining or surpassing individual or collective objectives.

When determining, reviewing and implementing the remuneration policy, the objective is to ensure that employees have a stake in the results of our operations.

In France, 99% of Group employees are covered by statutory and/or voluntary profit-sharing schemes, and specific agreements to meet local requirements are in place outside France. In practice, such schemes are directly linked to surpassing economic performance targets, and the indicators used are also found in the variable component of executive remuneration within the Group.

Capital increases reserved for employees are carried out regularly under share ownership plans. Approximately 52,000 Group employees are shareholders in Bouygues.

Nearly 700 senior executives and high-potential managers are awarded stock options every year.

Determining the remuneration policy

The remuneration policy determined by the Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, incorporates incentivisation measures. Those measures reflect the Group's commercial strategy, which is oriented towards profitable and sustainable growth pursued in a responsible manner consistently with the interests of the company itself and of all its stakeholders.

COMPLIANCE

When analysing remuneration policy and making proposals to the Board of Directors, the Selection and Remuneration Committee pays close attention to the recommendations of the Afep-Medef Code, to which Bouygues refers.

COMPARABILITY AND BALANCE BETWEEN COMPONENTS OF REMUNERATION

In determining the remuneration policy, the Board of Directors takes account of the level and difficulty of the responsibilities placed on the corporate officers, in line with practices observed in groups carrying on comparable activities. The Board also seeks to achieve a balance between fixed, variable and long-term remuneration. The remuneration policy is supported by a clear rationale, and determined in accordance with the corporate interest.

CONSISTENCY AND CLARITY OF RULES

The Board of Directors, acting on recommendations from the Selection and Remuneration Committee, seeks to ensure that the remuneration policy for Executive Officers is simple, comprehensible, and consistent with the policy applied to the Group's senior executives and employees.

COMPREHENSIVENESS

The incentivising remuneration structure is comprehensive and aligned with the corporate interest, and comprises:

- fixed remuneration;
- annual variable remuneration;
- long-term remuneration;
- remuneration for serving as a director, limited benefits in kind, and a supplementary pension scheme.

A termination benefit may be paid in respect of salaried positions within the Group, excluding any period of service as a corporate officer, in accordance with the Labour Code and the national collective agreement applied by the company in question.

Corporate officers are not paid any non-competition indemnity when they leave office.

PERFORMANCE AND HOW IT IS MEASURED

Precise, exacting quantifiable and/or qualitative performance criteria are set for both variable and long-term remuneration. The criteria used help maintain a link between the Group's performance and remuneration of corporate officers, with a long-term perspective.

They also take account of the corporate interest of Bouygues, and the practices applied by groups carrying on comparable activities.

REVIEWING THE REMUNERATION POLICY

The Group's remuneration policy is reviewed regularly by the Board of Directors, acting on a proposal from the Selection and Remuneration Committee, and in compliance with the principles laid down in the relevant legislation and in the Afep-Medef Code.

Every year, the Selection and Remuneration Committee proposes and checks the rules for setting the remuneration and benefits of all kinds to be awarded to corporate officers, while ensuring consistency with the assessment of their performances and with the Group's medium-term strategy.

The remuneration policy review takes account of the need to reinvest profits in employee benefits so as to attract and retain talent. Those benefits include for example high-quality health, death and disability cover; agreements that support work/life balance and quality of life in the workplace; supplementary pensions; and training, etc.

IMPLEMENTING THE REMUNERATION POLICY

The Selection and Remuneration Committee submits a report on the work carried out in furtherance of its remit, as defined in the Board's Rules of Procedure and described below.

The Board of Directors is responsible for determining the fixed and variable remuneration and benefits in kind awarded to corporate officers, along with the terms of any pension arrangements and any other benefits or indemnities awarded to them.

The Board of Directors must have a rationale for its decisions, which must be taken on the basis of:

- proposals from the Selection and Remuneration Committee;
- an overall assessment of the remuneration of each corporate officer; and
- striking a fair balance between the general interest, market practices, and individual performance.

The Board of Directors may only derogate from applying the remuneration policy on a temporary basis, acting in the corporate interest and with the sole objective of safeguarding the future and the viability of the Group.

The Group seeks to ensure that its employees are fairly rewarded. The decision-making process for salary reviews involves all the relevant parties: local management, the head of Human Resources, employee representative bodies and senior executives. All the business segments follow remuneration processes that build performance criteria into their variable remuneration arrangements. Consequently, more than half of the performance criteria applied to the Executive Officers are replicated in those applied to managers at business segment level (measured over the previous one, two or even three years).

Decisions taken by the Board of Directors comply with the recommendations contained in the Afep-Medef Code and with those issued by the AMF.

TAKING ACCOUNT OF EMPLOYEE REMUNERATION TERMS

Bouygues is well aware that the mindset and skills of the people who make up the Bouygues group are the sources of its success and progress. That is why the Group seeks to implement, across all entities and in every country, a remuneration policy that aims to reward people for attaining or surpassing individual or collective objectives.

When determining, reviewing and implementing the remuneration policy, the objective is to ensure that employees have a stake in the results of our operations.

In France, 99% of Group employees are covered by statutory and/or voluntary profit-sharing schemes, and specific agreements to meet local requirements are in place outside France. In practice, such schemes are directly linked to surpassing economic performance targets, and the indicators used are also found in the variable component of executive remuneration within the Group.

Capital increases reserved for employees are carried out regularly under share ownership plans. Approximately 52,000 Group employees are shareholders in Bouygues.

Nearly 700 senior executives and high-potential managers are awarded stock options every year.

MANAGING CONFLICTS OF INTEREST

To prevent any conflict of interest, at least one third of Board members are independent directors. Neither directors representing employees nor directors representing employee shareholders are taken into account when calculating the proportion of independent directors.

The Selection and Remuneration Committee discusses director independence:

- when a new director is appointed; and
- annually for all directors.

A director is independent when he or she has no relationship of any kind with the company, its group or its management that may colour their judgment.

Under the terms of the Bouygues group's Code of Conduct for directors and non-voting directors, each director or non-voting director is required to comply with the recommendations contained in Article 19 of the Afep-Medef Code.

Each director or non-voting director must ensure that he or she does not carry on any activity that would create a conflict of interest.

They undertake to inform the Chairman of the Board of Directors of any conflict of interest, even of a potential nature, between their duties in relation to the Group and their private interests and/or other duties, and in the case of directors not to take part in voting on any matter in which they are directly or indirectly involved.

If such a situation arises, the director or non-voting director concerned may be required not to attend Board meetings during such deliberations, not to take part in any vote on a resolution, and not to have access to documents or information brought to the attention of the other directors and non-voting directors concerning the matter in question.

The Chairman of the Board of Directors may at any time ask directors and non-voting directors to provide a written statement confirming that they are not subject to a conflict of interest.

Role of the Selection and Remuneration Committee

The Selection and Remuneration Committee, composed of independent directors and a director representing employees, has a central role in determining, reviewing and implementing the remuneration policy.

In accordance with the Afep-Medef Code, the remit of the Selection and Remuneration Committee includes:

- reviewing and submitting proposals to the Board of Directors on the remuneration policy for corporate officers, with a view to submitting it to the Annual General Meeting;
- reviewing and submitting proposals to the Board of Directors on all components of the remuneration, indemnities and benefits due or likely to be due to the Executive Officers, and in particular:
  - for variable remuneration:
    - proposing methods for determining the objectives for variable remuneration,
    - checking annually that the rules for setting variable remuneration are being correctly applied, and are consistent with the assessment of the Executive Officer's performance and with the company's medium/long-term strategy;
  - for long-term remuneration:
    - proposing and defining the terms of long-term remuneration arrangements,
    - examining stock option and share ownership plans and making proposals for awards to Executive Officers,
    - submitting proposals on specific rules for Executive Officers, and ensuring they are applied (minimum number of shares held in registered form, prohibition on hedging);
- issuing a recommendation on the overall amount of remuneration for directors, and the arrangements for allocating that remuneration between the directors;
- submitting proposals on remuneration and incentive arrangements for key executives of Bouygues SA and the Bouygues group who are not corporate officers;
- submitting proposals for a general policy on awards of stock options, free shares or performance shares, and determining the frequency of such awards for each category of beneficiary; and
- presenting to the Board of Directors each year the draft reports on the remuneration of corporate officers, on the remuneration policy for Executive Officers, and on stock options or performance shares.

Evaluation of performance criteria

Every year, the Selection and Remuneration Committee reviews and evaluates the rules for determining the variable remuneration awarded to Executive Officers.

The Committee uses simple, transparent, objective and exacting criteria to evaluate the performance criteria applied to determine the annual variable and long-term remuneration awarded to Executive Officers. Those criteria are based on quantitative and qualitative performance criteria, both internal and external, that are wholly consistent with the trajectory of the business plan.

For each financial criterion, the Board of Directors sets a formula for calculating the variable portion payable (subject to a cap), based on the actual performance per the consolidated financial statements for the financial year relative to the objective set for that year. If actual performance exceeds the objective, the amount of variable remuneration is adjusted upwards, up to the cap set for each criterion. If actual performance is below the objective, no variable remuneration is awarded for that criterion.

Allocation of the fixed annual sum awarded to the directors by the Annual General Meeting

The Selection and Remuneration Committee submits proposals on the system for remunerating corporate officers. In particular, it makes a recommendation on the overall sum awarded to the directors, and how it is allocated between them.

The Annual General Meeting of Bouygues shareholders of 27 April 2017 set the overall amount of remuneration awarded to directors for holding office at €1,000,000 per financial year.

Within the overall limit set by the Annual General Meeting, the Board of Directors sets the amount of remuneration to be paid to directors for their involvement in the Board's work.

The overall remuneration awarded to directors is allocated as follows:

- a fixed portion of 30%;
- a variable portion of 70% calculated on the basis of attendance at meetings, calculated in proportion to the actual participation of each director in the five periodic Board meetings held each year and (for committee members) in committee meetings.

The fixed sum varies according to whether the director concerned is the Chairman of the Board of Directors, a director, the chair or a member of the Audit Committee, or the chair or a member of one of the other committees (Selection and Remuneration; Ethics, CSR and Patronage).

Derogations from the remuneration policy

In exceptional circumstances, the Board of Directors, acting on a proposal from the Selection and Remuneration Committee, may (pursuant to Article L. 22-10-8 of the Commercial Code) derogate from the application of the remuneration policy provided that such derogation is temporary, aligned with the corporate interest, and necessary to safeguard the company's future or viability.

Such exceptional circumstances may include an unforeseen change in the competitive environment; a significant change in the scope of the Group following a merger or divestment; the acquisition or creation of a significant new business; the discontinuation of a significant business; a change in accounting policy; and a major event affecting the markets, the economy, and/or the sector in which the Group operates.

In such cases the Board of Directors may, after seeking the opinion of the Selection and Remuneration Committee, adjust the criteria and performance conditions for variable annual and multi-year equity-based remuneration, with the caveat that the overall ceiling for such remuneration may not be altered under any circumstances.

Any such adjustments must be properly substantiated and strictly applied. Annual variable remuneration will be submitted to a vote at a general meeting of the shareholders, and will not be payable unless that vote is passed.

The adjustments must also ensure that the interests of the shareholders remain aligned with those of the beneficiaries.

Most recent shareholder votes

The Annual General Meeting of 23 April 2020 approved (with 94.27% of votes in favour) the seventh resolution, relating to the information specified in Article L. 22-10-9 of the Commercial Code regarding the components of remuneration paid or awarded to corporate officers in respect of the year ended 31 December 2019.

The same meeting also approved the remuneration policy for 2020 (fifth and sixth resolutions), and the fixed and variable components of the total remuneration and benefits paid during the year ended 31 December 2019 or awarded in respect of that year to each Executive Officer (eighth to eleventh resolutions).

The remuneration policy has been amended as described below, to reflect the change in governance structure.

Amendment to the remuneration policy

The Board meeting of 17 February 2021 decided to review the remuneration policy as approved by the Annual General Meeting of 23 April 2020, and updated by the General Meeting of 4 September 2020 in light of the exceptional circumstances related to the Covid-19 pandemic, in order to take account of the change in the company's governance structure, and in particular the decision to separate the office of Chairman of the Board of Directors from that of Chief Executive Officer.

Martin Bouygues remained in office as Chairman of the Board of Directors; Olivier Roussat was appointed Chief Executive Officer, assisted by two new Deputy Chief Executive Officers: Edward Bouygues and Pascal Grangé.

The Board is therefore asking the Annual General Meeting to approve amendments to the remuneration policy to reflect those changes.

In addition to the changes in governance structure, the components of the remuneration of Executive Officers have been amended, largely to ensure their interests are aligned with those of Bouygues shareholders. To do this, the company has opted for equity-based remuneration arrangements for Executive Officers that incentivise them in line with the interests of the company and its shareholders (implementation of a performance share plan for Executive Officers, and of a retirement scheme in the form of performance shares). In addition, to comply with recommendations issued by the High Committee on Corporate Governance (HCGE), extra-financial criteria have been given additional weighting in determining variable remuneration, with precise definitions of each criterion (especially the environmental criterion). Finally, to lock the remuneration policy for Executive Officers more closely into the company's strategy, a new strategic criterion linked to the attainment of a specific objective for each business segment has been added to the annual variable remuneration criteria.

A full and precise description of the proposed amendments is provided in the subsequent sections.

Application of the remuneration policy to newly appointed corporate officers

In the event of a change in governance structure or the appointment of a new Executive Officer in 2021, the principles, criteria and components of remuneration specified in the 2021 remuneration policy would apply to the appointee.

More specifically, if a new Chief Executive Officer were to be appointed, then the principles, criteria and components of remuneration specified in the remuneration policy for the Chief Executive Officer would apply.

If the offices of Chairman and Chief Executive Officer were to be recombined, then the principles, criteria and components of remuneration specified in the remuneration policy for the Chief Executive Officer would be adapted by the Board of Directors (acting on a recommendation from the Selection and Remuneration Committee) to take account of the change.

Similarly, if a new Deputy Chief Executive Officer were to be appointed, then the remuneration policy for Deputy Chief Executive Officers would apply.

If a new Chairman of the Board of Directors or a new director were to be appointed, then the remuneration policy applied would be in line with that applicable to the Chairman of the Board of Directors and to directors, respectively.

In any event, the Board of Directors (acting on a recommendation from the Selection and Remuneration Committee) may adapt the level and structure of remuneration to take account of the situation of the appointee, their experience, and the responsibilities they assume.

Important changes made to the remuneration policy as indicated above will apply pending approval from a general meeting of the shareholders.

5.4.1.2 Remuneration policy specific to each individual corporate officer

The Board of Directors, acting on a recommendation from the Selection and Remuneration Committee, has set the criteria and methods for determining, allocating and awarding the fixed, variable and exceptional components of the total remuneration and benefits of all kinds of each corporate officer for 2021.

The Board of Directors is asking the Annual General Meeting to approve a remuneration policy that has been adapted to reflect the changes in the governance structure of Bouygues.

Remuneration policy applicable to Executive Officers from 1 January to 17 February 2021

A description is provided below of the arrangements for the remuneration of Executive Officers until 17 February 2021, the date on which the governance structure of Bouygues changed (separation of the office of Chairman of the Board of Directors from that of Chief Executive Officer, and appointment of two new Deputy Chief Executive Officers).

Remuneration policy for the Chairman and Chief Executive Officer (Martin Bouygues)

The fixed remuneration of the Chairman and Chief Executive Officer is unchanged at €920,000. Given the change in his duties, his remuneration will be apportioned on a pro rata temporis basis for the period until 17 February 2021.

The Chairman and Chief Executive Officer is entitled to annual variable remuneration, the criteria for which are determined in accordance with the 2021 remuneration policy to be submitted for approval by the Annual General Meeting of 22 April 2021 (see section 5.4.1.2.1 B, Annual variable remuneration).

For the 2021 financial year, he will receive annual variable remuneration for service as Chairman and Chief Executive Officer on a pro rata temporis basis. The Board of Directors will determine the amount of that remuneration depending on the attainment of objectives. It will be paid after it has been approved by the 2022 Annual General Meeting.

The Chairman and Chief Executive Officer does not receive any long-term remuneration.

The Chairman and Chief Executive Officer receives remuneration for serving as a director of the company, which will be apportioned on a pro rata temporis basis for the period until 17 February 2021.

The Chairman and Chief Executive Officer is also provided, for his personal needs, with a company car and a part-time personal assistant and chauffeur/security guard.

He is also entitled to benefits under the collective death, disability and health cover policies applied within Bouygues on the same terms and conditions as Bouygues employees.

The Chairman and Chief Executive Officer is entitled to benefits under the supplementary pension schemes applied within the Group (see section 5.4.1.2.1 B – Supplementary pension scheme).

Remuneration policy for the Deputy Chief Executive Officer (Olivier Roussat)

The fixed remuneration of the Deputy Chief Executive Officer is unchanged at €1,250,000. Given the change in his duties, his remuneration will be apportioned on a pro rata temporis basis for the period until 17 February 2021.

The Deputy Chief Executive Officer is entitled to annual variable remuneration, the criteria for which are determined in accordance with the 2021 remuneration policy, to be submitted for approval at the Annual General Meeting of 22 April 2021 (see section 5.4.1.2.1 B, Annual variable remuneration).

The Board of Directors will determine the amount of that remuneration depending on the attainment of objectives. It will be paid after it has been approved by the 2022 Annual General Meeting.

Olivier Roussat is entitled to long-term remuneration in the form of a contingent, deferred award of existing Bouygues shares free of charge; this is intended to align the interests of Executive Officers more closely with those of the shareholders, in particular by taking account of the stock market performance of Bouygues shares (see section 5.4.1.2.1 B., "Long-term remuneration").

The Deputy Chief Executive Officer is provided with a company car.

Bouygues also provides the Deputy Chief Executive Officer, for his personal needs, with a chauffeur/security guard and unemployment insurance cover.

From 2021 onwards, Oliver Roussat will be provided with a fixed number of hours of tax and wealth management advice.

He is also entitled to benefits under the collective death, disability and health cover policies applied within Bouygues on the same terms and conditions as other employees.

The Deputy Chief Executive Officer is entitled to benefits under the supplementary pension schemes applied within the Group (see section 5.4.1.2.1 B – Supplementary pension scheme).

Remuneration policy applicable to Executive Officers from 17 February 2021 onwards

This remuneration policy is applicable from 17 February 2021 (the date of the separation of the office of Chairman of the Board of Directors from that of Chief Executive Officer, and of the appointment of two new Deputy Chief Executive Officers), subject to approval from the Annual General Meeting of 22 April 2021.

Remuneration policy applicable to the Chairman of the Board of Directors

In accordance with the Afep-Medef Code, the remuneration policy for the Chairman of the Board of Directors specifies that he is entitled solely to fixed remuneration; remuneration for serving as a director; benefits in kind; and continuing entitlement to the supplementary pension schemes and the collective death, disability and health cover policies applied within Bouygues.

The remuneration policy excludes any annual or deferred variable remuneration, exceptional remuneration, or severance benefit on leaving office.

A. HOLDING OF OFFICE AND CONTRACT OF EMPLOYMENT

In accordance with Articles 13.7 and 17.1 of the articles of association, once the Chairman and/or Chief Executive Officer reaches the age of 65, the continuation of his term of office is subject to annual confirmation by the Board of Directors.

The term of office of Martin Bouygues as Chairman and Chief Executive Officer was renewed on 13 May 2020.

Martin Bouygues was confirmed in office as Chairman of the Board of Directors following the decision by the Board of Directors on 17 February 2021 to separate the office of Chairman of the Board of Directors from that of Chief Executive Officer.

The Chairman of the Board of Directors may be removed from office at any time by the Board of Directors.

Martin Bouygues does not have a contract of employment with Bouygues or with any other Group company.

B. TOTAL REMUNERATION AND BENEFITS OF ALL KINDS

Fixed remuneration

The rules used to determine fixed remuneration were established in 1999 and have been applied consistently ever since. Fixed remuneration is determined according to the level and complexity of the person's responsibilities, experience in the post and length of service with the Group, and practices followed by groups or companies carrying on comparable activities.

For the 2021 financial year, the gross annual fixed remuneration of Martin Bouygues from 17 February 2021 onwards is €490,000, apportioned on a pro rata temporis basis.

The Board of Directors has taken account of the additional roles conferred on the Chairman of the Board of Directors in its Rules of Procedure (acting on a recommendation from the Selection and Remuneration Committee), in light of his in-depth knowledge of the Group, experience, and expertise.

Remuneration for serving as a director

The Chairman of the Board of Directors receives remuneration for serving as a director on the terms described in section 5.4.1.3 of this Universal Registration Document.

Benefits in kind

The Chairman of the Board of Directors is provided with a company car.

Bouygues also provides the Chairman of the Board of Directors, for his personal needs, with a part-time personal assistant and a chauffeur/security guard.

For information, those benefits in kind were valued at €31,050 for the 2020 financial year.

Collective death, disability and health cover

The Chairman of the Board of Directors is entitled to benefits under the collective death, disability and health cover policies applied within Bouygues on the same terms and conditions as Bouygues employees.

For information, the company paid contributions of €4,566.12 into those policies in 2020.

The insurance policies relating to these schemes are subject to the same termination clauses as are standard under the ordinary law governing this type of policy.

Supplementary pension scheme

Contingent-rights collective pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of employment prior to 1 January 2020)

The Chairman of the Board of Directors, who joined the scheme before 4 July 2019, was eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code.

Subject to his still being with the Bouygues group on retirement, and to being a member of the Group Management Committee, the Chairman of the Board of Directors was entitled to an annuity under this scheme (the principal characteristics of which are described in section 5.4.2.1 of this Universal Registration Document).

In accordance with Law No. 2019-486 of 22 May 2019 (the Pacte law) and Order No. 2019-697 of 3 July 2019, this scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Due to the closure of the scheme and the freezing of scheme members' rights, the Chairman of the Board of Directors cannot accumulate any further rights under this pension scheme from 1 January 2020 onwards.

Pursuant to Article 5 Order No. 2019-697 of 3 July 2019, Bouygues intends to transfer the contingent rights under this scheme (governed by Article L. 137-11 of the Social Security Code) to a vested-rights scheme (governed by Article L. 137-11-2 of the Social Security Code), the characteristics of which are identical to those of the vested-rights scheme described below; this means that the pension benefits accumulated under the old scheme will, as a result of the transfer, no longer be contingent on the beneficiary still being with the Bouygues group when he takes retirement.

In any event, no rights may be transferred to the beneficiary above the cap of 30% of his average annual remuneration liable to social security contributions over the last three years under the scheme governed by Article L. 137-11 of the Social Security Code.

Vested-rights pension scheme governed by Article L. 137-11-2 of the Social Security Code (rights for periods of employment subsequent to 1 January 2020)

Given the closure of and the freezing of contingent rights under defined-benefit pension schemes governed by Article L. 137-11 of the Social Security Code, the Board meetings of 13 November 2019 and 19 February 2020 decided (acting on a proposal from the Selection and Remuneration Committee) to introduce a new vested-rights pension scheme in compliance with currently applicable legislation (Article L. 137-11-2 of the Social Security Code). The new scheme enables members of the Group Management Committee who have not reached the cap adopted by the Board to accumulate pension rights for periods of employment subsequent to 1 January 2020 such that they will receive the same level of annuity (0.92% a year) as under the previous scheme in place within Bouygues, subject to fulfilment of the performance conditions described below.

In accordance with the new regulations, pension rights will vest annually and will no longer be subject to the individual still being with the Bouygues group at retirement.

Martin Bouygues, in his capacity as a member of the Group Management Committee, was eligible for this new pension scheme.

However, Martin Bouygues cannot acquire any further supplementary pension rights since the rights vested in him to date have reached the cap set by the Board of Directors (eight times the annual social security ceiling).

The characteristics of the scheme are as follows:

1. Conditions for joining the scheme and other eligibility conditions. The beneficiary must:
   - be a member of the Group Management Committee;
   - have at least three years of service within a Bouygues group company.
2. Reference remuneration: gross annual fixed remuneration plus gross annual variable remuneration.
3. Frequency of vesting of rights: annual.
4. Annual cap on vesting of pension rights: 0.92% of reference remuneration.
5. Overall cap: eight times the annual social security ceiling (giving a cap of €329,088 in 2021).
6. Overall cap on vesting of rights under all schemes governed by Article L. 137-11-2 of the Social Security Code: 30 points.
7. Funding is contracted out to an insurance company, to which an annual premium is paid.
8. Performance conditions:

   a) Executive Officer concerned

   Martin Bouygues cannot acquire any supplementary pension rights, since the rights vested in him to date have reached the cap set by the Board of Directors (eight times the annual social security ceiling).

   b) The performance conditions for 2021 are:

   2021 financial year: Objective = that the average of consolidated net profit attributable to the Group for the 2021 financial year and for the 2020 and 2019 financial years ("Average CNP") is no more than 10% below the average of the consolidated net profit figures specified in the plan for the 2021 financial year and in the plans for the 2020 and 2019 financial years.

   Terms for determining the vesting of pension rights based on performance:

   - If average CNP is equal to or above the Objective:
     Annual pension rights = 0.92% of reference remuneration.
   - If average CNP is more than 10% below the Objective:
     Annual pension rights = 0.

   Between those lower and upper limits, the pension rights awarded vary on a straight-line basis between 0% and 0.92% of reference remuneration.

The amount of annuities paid under pension schemes applied within Bouygues and governed by Articles L. 137-11 (contingent-rights scheme) and L. 137-11-2 (vested-rights scheme) of the Social Security Code is capped at eight times the annual social security ceiling (giving a cap of €329,088 in 2021).

Remuneration policy applicable to the Chief Executive Officer

A. HOLDING OF OFFICE AND CONTRACT OF EMPLOYMENT

Olivier Roussat was appointed as Chief Executive Officer on 17 February 2021 for a renewable three-year term of office. His term of office will expire on 17 February 2024.

The Chief Executive Officer may be removed from office at any time by the Board of Directors.

Olivier Roussat signed a permanent employment contract with Bouygues on 1 April 2007. That contract was suspended when he was appointed as a Deputy Chief Executive Officer on 30 August 2016. He therefore receives no remuneration under his employment contract.

B. TOTAL REMUNERATION AND BENEFITS OF ALL KINDS

Fixed remuneration

The rules used to determine fixed remuneration were established in 1999 and have been applied consistently ever since. Fixed remuneration is determined according to the level and complexity of the person's responsibilities, experience in the post and length of service with the Group, and practices followed by groups or companies carrying on comparable activities.

For the 2021 financial year, the gross annual fixed remuneration of Olivier Roussat from 17 February 2021 is €1,500,000, apportioned on a pro rata temporis basis.

Annual variable remuneration

The Board of Directors and the Selection and Remuneration Committee seek to ensure that the variable remuneration of the Chief Executive Officer is consistent with the company's performance objectives, so that it is aligned with the corporate interest and with the medium/long-term commercial strategy.

Variable remuneration is expressed as a percentage of fixed remuneration (FR). Variable remuneration awarded for a financial year is capped at a percentage of fixed remuneration.

The Board of Directors has decided that the criteria for annual variable remuneration will be set as follows:

- Four quantifiable financial criteria (three of which are already used as criteria for 2020 variable remuneration, and two of which refer to the three-year business plan):
  - Actual consolidated current operating profit (COP) of the Group for the year / Bounds (P1).
  - Actual net profit attributable to the Group (NP) for the year / Bounds (P2).
  - Net surplus cash/net debt / Bounds (P3).
  - Strategic objectives: attainment of strategic objectives set for each business segment for the year (P4).
- Extra-financial criteria (P5).

Variable remuneration is also assessed with reference to three extra-financial criteria linked to the Group's compliance and CSR performance, and based on an overall assessment of the Executive Officer's managerial performance.

The three extra-financial criteria are weighted as follows:

- Compliance (10% of FR):
  - Implementation and follow-up of French Anti-Corruption agency report, in particular risk mapping and assessment of third parties.
- Corporate social responsibility (15% of FR):
  - Health and Safety: reducing the workplace accident rate versus 2020, based on a plan defined separately for each business segment.
  - Climate/Environment plan:
    - Implementing the Climate strategy to achieve a reduction in greenhouse gas emissions compatible with the Paris Agreement in each business segment.
    - Attainment of a specific objective set for each business segment individually: % of reclaimed asphalt pavement (Colas); % of worksites with Top Site accreditation (Bouygues Construction); hybrid/electric vehicle fleet (TF1); number of handsets recycled (Bouygues Telecom); % of staff having received training on low carbon issues (Bouygues Immobilier).
  - Gender balance: as part of the 2021-2023 Global Gender Balance Plan, definition and monitoring of two of the four key performance indicators for each business segment (% of women in managerial grade posts, % of women in senior manager posts, % of women classed as "top talents", % of women in top-tier executive bodies).
- Managerial performance: assessed on the basis of organisational response to the Covid-19 crisis, employee engagement, and involvement in transverse Group-wide projects (15% of FR).

The Board of Directors reserves the right to make an overall downward adjustment that would reduce or eliminate application of the extra-financial criteria in the event of a serious adverse event during the year.

After consultation with the Selection and Remuneration Committee, the Board of Directors may derogate from the criteria indicated above in the conditions set forth in Article L. 22-10-8 III, paragraph 2 of the Commercial Code, and in accordance with the derogation clause specified in section 5.4.1. of this Universal Registration Document.

Method used to determine annual variable remuneration for 2021

The method for determining the variable remuneration of Executive Officers is based on five separate variable components: P1, P2, P3, P4 and P5 (as defined above).

The determination of variable remuneration for 2021 is based on results computed with reference to three pre-determined "bounds" for each of the criteria (see below for the methodology and weighting applied to each criterion). Consequently, failure to meet just one of the objectives would make it impossible for the maximum amount of variable remuneration to be paid.

P1, P2, P3 and P4

Payment of each of the four variable components P1, P2, P3 and P4 is dependent on the performance achieved during the financial year. It is expressed as a percentage of fixed remuneration (% of FR).

For each criterion, three "bounds" are set:

- A "lower bound", which is the trigger point that activates the bonus. It is broadly based on the actual result for that indicator obtained in 2020.
- An "intermediate bound", corresponding to the expected result for 2021; this is well ahead of the 2020 level, though without reaching the level achieved in 2019 (see section 1.3 of this Universal Registration Document).
- An "upper bound", representing an outperformance relative to the financial ambitions of the intermediate bound.

For P4 (strategic objectives), performance will be measured by averaging the results obtained by each business segment.

The four variable components P1, P2, P3 and P4 are calculated as follows:

1. If the "lower bound" is attained:

P1 = 12.5% of FR

P2 = 20% of FR

P3 = 15% of FR

P4 = 0% to 15% of FR (depending on business segment results)

2. If the "intermediate bound" is attained:

P1 = 25% of FR

P2 = 40% of FR

P3 = 30% of FR

P4 = 0% to 15% of FR (depending on business segment results)

3. If the "upper bound" is attained:

P1 = 35% of FR

P2 = 50% of FR

P3 = 40% of FR

P4 = 0% to 15% of FR (depending on business segment results)

For P1, P2 and P3, between each of the bounds the effective weight of each component is determined by linear interpolation. If the "lower bound" is not attained, P = 0.

P5

The Board of Directors determines the effective weight of P5, subject to a cap of 40% of FR.

Cap

The sum of the five components P1, P2, P3, P4 and P5 calculated according to the above method may never exceed a cap of 180% of fixed remuneration.

Pre-conditions for payment

Variable remuneration due for a given year is determined by the Board meeting that signs off the financial statements for that year. Consequently, as required by Articles L. 225-100 and L. 22-10-34 of the Commercial Code, payment of the variable remuneration due for 2021 is contingent on approval by the Annual General Meeting called in 2022 to approve the 2021 financial statements. It is paid after payment has been approved by the Annual General Meeting.

There is no other contingent deferral period.

Cessation of office

If the Chief Executive Officer leaves office during the financial year, his variable remuneration for that year will be apportioned on a pro rata temporis basis for the period during which he held office in that year, and on the basis of the Board's assessment of his actual performance level for each of the criteria initially adopted.

Long-term remuneration

The Chief Executive Officer is eligible for long-term remuneration.

Olivier Roussat is entitled to long-term remuneration in the form of a contingent, deferred award of existing Bouygues shares free of charge; this is intended to align his interests more closely with those of the shareholders, in particular by taking account of the stock market performance of Bouygues shares.

The terms of this long-term remuneration package specify the award of no more than 80,000 Bouygues shares to Olivier Roussat at the end of a vesting period of three years (2021, 2022 and 2023) within the scope of the Commercial Code (Articles L. 225-197-1 et seq and L. 22-10-59 et seq).

If the remuneration package were to fall outside the scope of Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code, any shares awarded would become liable for social security charges and income tax in the hands of the beneficiary on the same basis as salary, for the year in which the shares vest. It would therefore be proposed that a portion of the shares awarded to the beneficiaries should be paid out in the form of a cash sum in order to facilitate payment by the beneficiaries of the social security charges and income tax arising on the salary component.

This means that subject to approval by a general meeting of shareholders on the terms specified in Article L. 22-10-34 of the Commercial Code, long-term remuneration would be paid as follows:

- 50% of the shares awarded would be delivered to the beneficiary on the first working day following that general meeting;
- An amount equivalent to the value of 50% of the shares would be paid in the week following that general meeting, in the form of a cash sum calculated on the basis of the opening share price on the day before that general meeting takes place.

If the remuneration package were to fall within the scope of Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code, then subject to approval by a general meeting of shareholders on the terms specified in Article L. 22-10-34 of the Commercial Code, long-term remuneration would be paid as follows:

- 100% of the shares awarded would be delivered to the beneficiary on the first working day following that general meeting.

The award of shares is contingent upon the fulfilment of a continuing employment condition and performance conditions at the end of the vesting period.

Performance conditions

A1 = ROCE – Return on Capital Employed. This criterion is intended to measure average value creation by the Bouygues group over the 2021, 2022 and 2023 period. It is determined by comparing the average of actual ROCE performances for those three years with the following bounds:

- A "lower bound", corresponding to the historical average weighted cost of capital of the Bouygues group.
- An "intermediate bound", corresponding to the actual ROCE of the Bouygues group in 2019, before the Covid-19 pandemic.
- An "upper bound", representing an outperformance relative to the ambitions of the intermediate bound.

A2 = TSR. This criterion is intended to measure, over the three-year period, the performance of Bouygues shares relative to sector indices that reflect its principal business activities: STOXX® Europe 600 Construction & Materials, STOXX® Europe 600 Telecommunications, and STOXX® Europe 600 Media:

- "Lower bound": Bouygues share performance equal to the performance of the benchmark;
- An "intermediate bound": Bouygues share performance 0.5 points above the performance of the benchmark.
- "Upper bound": Bouygues share performance 1 point above the performance of the benchmark.

Performance is measured using Bloomberg data (for both Bouygues and the indices), and is computed on the assumption that dividends are reinvested.

A3 = equally weighted climate plan and gender balance objectives:

- Climate:
  - Investment plans to support Climate strategy drivers.
  - Analysis of drivers for achieving carbon neutrality by 2050.
  - Common methodology for calculating avoided carbon emissions in commercial offerings.
- Gender balance:
  - Attainment by each business segment of the criteria defined in the plan (% of women in managerial grade posts, % of women in senior manager posts, % of women classed as "top talents", % of women in top-tier executive bodies.
  - Attainment of Group objectives in the "global" scope (% of women in senior manager posts, % of women in top-tier executive bodies).

The number of shares awarded (capped at 80,000 shares) would be determined as follows:

1. If the "lower bound" is attained:

A1 = 14,000 shares

A2 = 15,000 shares

A3 = 0 to 20,000 shares

2. If the "intermediate bound" is attained:

A1 = 28,000 shares

A2 = 17,500 shares

A3 = 0 to 20,000 shares

3. If the "upper bound" is attained:

A1 = 40,000 shares

A2 = 20,000 shares

A3 = 0 to 20,000 shares

Between the bounds, A1 and A2 vary on a straight-line basis. For A3, performance will be measured on the basis of the average of the results obtained by the business segments, and will vary accordingly. If the "lower bound" is not attained, A = 0.

Continuing employment condition

The beneficiary will have to be serving as a member of the Group Management Committee on 31 December 2023.

If that condition is no longer met, the beneficiary's entitlement to long-term remuneration will be forfeited on the date of cessation of office.

The Board of Directors reserves the right to derogate from that rule on a case by case basis based on advice from the Selection and Remuneration Committee.

As an exception to the above, the beneficiary will not forfeit entitlement to long-term remuneration in the following circumstances:

A. incapacity;

B. death;

C. retirement, subject to apportionment on a pro rata temporis basis to reflect time actually spent in office during the reference period;

in accordance with the terms of the long-term remuneration plan.

Cap

Long-term remuneration may never exceed a cap of 100% of the beneficiary's fixed plus variable remuneration.

Lock-up and hedging

In addition, acting in line with the recommendations of the Afep-Medef Code, the Board meeting of 20 February 2019 set a minimum quantity of shares that the beneficiary would be required to hold in registered form until he ceases to hold office. The beneficiary would be required to hold in registered form until he ceases to hold office a minimum quantity of shares representing the equivalent of 1.5 times his fixed annual remuneration. Until such time as that objective is reached, the beneficiary would have to set aside for that purpose 60% of the shares actually delivered to him. If the remuneration package were to fall outside the scope of Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code, then the beneficiary would have to set aside for that purpose 50% of the shares actually delivered to him.

The value of the shares delivered and the cash sums paid under this long-term remuneration package cannot exceed a cap equal to 100% of the beneficiary's fixed and variable remuneration. In determining whether that cap is reached, the value of the shares delivered is calculated on the basis of the opening market price of Bouygues shares on the day before delivery.

As far as Bouygues is aware, no instruments have been contracted to hedge the shares awardable under this long-term remuneration package. In addition, the beneficiary has made a formal undertaking not to enter into hedging transactions to cover his risk.

Relative weight of components of remuneration

If the cap applicable to variable remuneration and long-term remuneration were to be reached, the relative weight of the components of remuneration would be as follows:

- Fixed remuneration would represent 22% of fixed plus variable remuneration.
- Annual variable remuneration would represent a maximum of 39% of fixed plus variable remuneration.
- Long-term variable remuneration would represent a maximum of 39% of fixed plus variable remuneration (base: Bouygues share price as of 31 December 2020).

Benefits in kind

The Chief Executive Officer is provided with a company car.

Bouygues also provides the Chief Executive Officer, for his personal needs, with a chauffeur/security guard and unemployment insurance cover.

For information, those benefits in kind were valued at €20,457 for the 2020 financial year.

From 2021 onwards, the Chief Executive Officer will be provided with a fixed number of hours of tax and wealth management advice.

Collective death, disability and health cover

The Chief Executive Officer is entitled to benefits under the collective death, disability and health cover policies applied within Bouygues on the same terms and conditions as Bouygues employees.

For information, the company paid contributions of €4,566.12 into those policies in 2020.

The insurance policies relating to these schemes are subject to the same termination clauses as are standard under the ordinary law governing this type of policy.

Supplementary pension scheme

Contingent-rights collective pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of employment prior to 1 January 2020)

The Chief Executive Officer, who joined the scheme before 4 July 2019, was eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code.

Subject to his still being with the Bouygues group on retirement and to being a member of the Group Management Committee, the Chief Executive Officer was entitled to an annuity under this scheme (the principal characteristics of which are described in section 5.4.2.1 of this Universal Registration Document).

In accordance with Law No. 2019-486 of 22 May 2019 (the Pacte law) and Order No. 2019-697 of 3 July 2019, this scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Due to the closure of the scheme and the freezing of scheme members' rights, the Chief Executive Officer cannot accumulate any further rights under this pension scheme from 1 January 2020 onwards.

Pursuant to Article 5 Order No. 2019-697 of 3 July 2019, Bouygues intends to transfer the contingent rights under this scheme (governed by Article L. 137-11 of the Social Security Code) to a vested-rights scheme (governed by Article L. 137-11-2 of the Social Security Code), the characteristics of which are identical to those of the vested-rights scheme described below; this means that the pension benefits accumulated under the old scheme will, as a result of the transfer, no longer be contingent on the beneficiary still being with the Bouygues group when he takes retirement.

In any event, no rights may be transferred to the beneficiary above the cap of 30% of his average annual remuneration liable to social security contributions over the last three years under the scheme governed by Article L. 137-11 of the Social Security Code.

Vested-rights pension scheme governed by Article L. 137-11-2 of the Social Security Code (rights for periods of employment subsequent to 1 January 2020)

Given the closure of and the freezing of contingent rights under defined-benefit pension schemes governed by Article L. 137-11 of the Social Security Code, the Board meetings of 13 November 2019 and 19 February 2020 decided (acting on a proposal from the Selection and Remuneration Committee) to introduce a new vested-rights pension scheme in compliance with currently applicable legislation (Article L. 137-11-2 of the Social Security Code). The new scheme will enable members of the Group Management Committee who have not reached the cap adopted by the Board to accumulate pension rights for periods of employment subsequent to 1 January 2020 such that they will receive the same level of annuity (0.92% a year) as under the previous scheme in place within Bouygues, subject to fulfilment of the performance conditions described below. In accordance with the new regulations, pension rights will vest annually and will no longer be subject to the individual still being with the Bouygues group at retirement.

The Chief Executive Officer is eligible for this new pension scheme and can accumulate rights (0.92% of reference remuneration per year) subject to attainment of the performance conditions defined above, with the caveat that his rights have not yet reached the cap of eight times the annual social security ceiling (a cap of €329,088 in 2021) set by the Board of Directors.

Retirement benefit scheme in the form of performance shares

Acting on a proposal from the Selection and Remuneration Committee, the Board of Directors decided at its meeting of 17 February 2021 to introduce a new retirement benefit scheme in the form of performance shares, on the terms set forth in Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code, for the benefit of members of the Group Management Committee.

This scheme helps align the interests of members of the Group Management Committee on those of the shareholders, because the beneficiaries must retain their shares until they retire.

Opting for a retirement benefit scheme based on performance shares reflects a commitment to giving members of the Group Management Committee a stake in the development of the company, with a view to building a corporate culture.

Vesting of the performance shares under the scheme is subject to:

1. a one-year vesting period; and
2. an exacting lock-up period which lasts until the date of the beneficiary's retirement, and which may under no circumstances be less than one year.

Vesting of the shares is subject to (i) a continuing employment condition (as of the vesting date) and (ii) a performance condition linked to average net profit attributable to the Group, identical to that specified for the vested-rights pension scheme.

The beneficiary receives free of charge a number of Bouygues shares equivalent to the premium that would have been required to guarantee the rights that he would have accumulated under the vested-rights scheme (capped at 0.92% of reference remuneration, subject to fulfilment of the performance condition).

The Board of Directors has set the overall cap for this scheme at fourteen times the annual social security ceiling (giving a cap of €575,904 in 2021).

This scheme applies to beneficiaries of the vested-rights scheme governed by Article L. 137-11-2 of the Social Security Code, provided they have reached the cap set by the Board of Directors (eight times the annual social security ceiling) in respect of the defined-benefit pension schemes operated within the company.

To date, the vested rights accumulated by Olivier Roussat have not reached that cap. He will not be entitled to benefit under the present scheme in respect of 2021.

Severance benefit on leaving office

No severance benefit is payable to the Chief Executive Officer on leaving office.

Non-competition indemnity

The Chief Executive Officer is not entitled to any non-competition indemnity.

Remuneration policy applicable to the Deputy Chief Executive Officers

A. HOLDING OF OFFICE AND CONTRACTS OF EMPLOYMENT

Deputy Chief Executive Officers are appointed for a renewable three-year term of office. Deputy Chief Executive Officers may be removed from office at any time by the Board of Directors, acting on a proposal from the Chief Executive Officer.

Edward Bouygues and Pascal Grangé were appointed as Deputy Chief Executive Officers with effect from 17 February 2021.

Pascal Grangé has a permanent employment contract. That employment contract was suspended when he was appointed as a Deputy Chief Executive Officer on 17 February 2021.

Edward Bouygues also has a permanent employment contract, with a Bouygues subsidiary. It has been decided not to suspend that contract, given his responsibilities and the amount of time he will devote to his salaried duties. That factor has been taken into account in determining the amount of his remuneration as a corporate officer of Bouygues.

B. TOTAL REMUNERATION AND BENEFITS OF ALL KINDS

Fixed remuneration

The rules used to determine fixed remuneration were established in 1999 and have been applied consistently ever since. Fixed remuneration is determined according to the level and complexity of the person's responsibilities, experience in the post and length of service with the Group, and practices followed by groups or companies carrying on comparable activities.

Consequently, gross annual fixed remuneration for 2021 (from 17 February 2021 onwards) is as follows:

- €400,000 for Edward Bouygues, apportioned on a pro rata temporis basis;
- €920,000 for Pascal Grangé, apportioned on a pro rata temporis basis.

Annual variable remuneration

The Board of Directors and the Selection and Remuneration Committee seek to ensure that the variable remuneration of the Deputy Chief Executive Officers is consistent with the company's performance objectives, so that it is aligned with the corporate interest and its commercial strategy.

For the 2021 financial year, they will receive annual variable remuneration for serving as Deputy Chief Executive Officers, apportioned on a pro rata temporis basis. The Board of Directors will determine the amount of that remuneration depending on the attainment of objectives. It will be paid after it has been approved by the 2022 Annual General Meeting.

The criteria for awarding annual variable remuneration are the same as those described above for the Chief Executive Officer (section 5.4.1.2.1 B – Annual variable remuneration).

Method used to determine annual variable remuneration for 2021

The method for determining the annual variable remuneration of Executive Officers is based on five separate variable components: P1, P2, P3, P4 and P5, as described above (section 5.4.1.2.1 B – Method used to determine annual variable remuneration for 2021).

The annual variable remuneration of Pascal Grangé for 2021 will be determined using the following calculation:

1. If the “lower bound” is attained:

P1 = 12.5% of FR

P2 = 20% of FR

P3 = 15% of FR

P4 = 0% to 15% of FR (depending on business segment results)

2. If the “intermediate bound” is attained:

P1 = 25% of FR

P2 = 40% of FR

P3 = 30% of FR

P4 = 0% to 15% of FR (depending on business segment results)

3. If the “upper bound” is attained:

P1 = 35% of FR

P2 = 50% of FR

P3 = 40% of FR

P4 = 0% to 15% of FR (depending on business segment results)

For P1, P2 and P3, between each of the bounds the effective weight of each component is determined by linear interpolation. If the “lower bound” is not attained, P = 0.

P5 = The Board of Directors determines the effective weight of P5, subject to a cap of 40% of FR.

The annual variable remuneration of Edward Bouygues for 2021 will be determined using the following calculation:

1. If the “lower bound” is attained:

P1 = 10% of FR

P2 = 20% of FR

P3 = 15% of FR

P4 = 0% to 15% of FR (depending on business segment results)

2. If the “intermediate bound” is attained:

P1 = 15% of FR

P2 = 30% of FR

P3 = 20% of FR

P4 = 0% to 15% of FR (depending on business segment results)

3. If the “upper bound” is attained:

P1 = 25% of FR

P2 = 40% of FR

P3 = 30% of FR

P4 = 0% to 15% of FR (depending on business segment results)

For P1, P2 and P3, between each of the bounds the effective weight of each component is determined by linear interpolation. If the “lower bound” is not attained, P = 0.

P5 = The Board of Directors determines the effective weight of P5, subject to a cap of 40% of FR.

Cap

The sum of the five components P1, P2, P3, P4 and P5 may never exceed a cap of 180% of fixed remuneration for Pascal Grangé, or of 150% for Edward Bouygues.

In the particular case of Edward Bouygues, this cap does not take account of any variable remuneration payable under his employment contract.

Pre-conditions for payment

Variable remuneration due for a given year is determined by the Board meeting that signs off the financial statements for that year. Consequently, as required by Articles L. 225-100 and L. 22-10-34 of the Commercial Code, payment of the variable remuneration due for 2021 is contingent on approval by the Annual General Meeting called in 2022 to approve the 2021 financial statements. It is paid after payment has been approved by the Annual General Meeting.

Payment of variable remuneration to Edward Bouygues under his employment contract is not subject to a shareholder vote.

There is no other contingent deferral period.

Cessation of office

If a Deputy Chief Executive Officer leaves office during the financial year, his variable remuneration for that year will be apportioned on a pro rata temporis basis for the period during which he held office in that year, and on the basis of the Board's assessment of his actual performance level for each of the criteria initially adopted. Payment of that remuneration will be submitted for approval by a general meeting of shareholders on the terms set forth in Article L. 22-10-34 of the Commercial Code.

Long-term remuneration

The Deputy Chief Executive Officers are eligible for long-term remuneration.

Edward Bouygues and Pascal Grangé are entitled to long-term remuneration in the form of a contingent award of existing Bouygues shares; this is intended to align the interests of the Executive Officers more closely with those of the shareholders, in particular by taking account of the stock market performance of Bouygues shares.

The terms of this long-term remuneration package specify the award of no more than 40,000 Bouygues shares to Pascal Grangé and 20,000 Bouygues shares to Edward Bouygues at the end of a three-year period (2021, 2022 and 2023). The award of shares is contingent upon the fulfilment of a continuing employment condition and performance conditions at the end of that period.

If the remuneration package were to fall outside the scope of Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code, any shares awarded would become liable for social security charges and income tax in the hands of the beneficiaries on the same basis as salary, for the year in which the shares vest. It would therefore be proposed that a portion of the shares awarded to the beneficiaries should be paid out in the form of a cash sum in order to facilitate payment by the beneficiaries of the social security charges and income tax arising on the salary component.

This means that subject to approval by a general meeting of shareholders on the terms specified in Articles L. 225-100 and L. 22-10-34 of the Commercial Code, long-term remuneration would be paid as follows:

- 50% of the shares awarded would be delivered to the beneficiary on the first working day following that general meeting;
- An amount equivalent to the value of 50% of the shares would be paid in the week following that general meeting, in the form of a cash sum calculated on the basis of the opening share price on the day before that general meeting takes place.

If the remuneration package were to fall within the scope of Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code, then subject to approval by a general meeting of shareholders on the terms specified in Article L. 22-10-34 of the Commercial Code, long-term remuneration would be paid as follows:

- 100% of the shares awarded would be delivered to the beneficiary on the first working day following that general meeting.

The award of shares is contingent upon the fulfilment of a continuing employment condition and performance conditions at the end of the vesting period.

Performance conditions

The criteria for awarding long-term remuneration are the same as those described above for the Chief Executive Officer (section 5.4.1.2.1 B – Long-term remuneration).

The number of shares awarded to Pascal Grangé (capped at 40,000 shares) would be determined as follows:

1. If the "lower bound" is attained:

A1 = 7,000 shares

A2 = 7,500 shares

A3 = 0 to 10,000 shares

2. If the "intermediate bound" is attained:

A1 = 14,000 shares

A2 = 8,750 shares

A3 = 0 to 10,000 shares

3. If the "upper bound" is attained:

A1 = 20,000 shares

A2 = 10,000 shares

A3 = 0 to 10,000 shares

Between the bounds, A1 and A2 vary on a straight-line basis. For A3, performance will be measured on the basis of the average of the results obtained by the business segments, and will vary accordingly. If the "lower bound" is not attained, A = 0.

The number of shares awarded to Edward Bouygues (capped at 20,000 shares) would be determined as follows:

1. If the "lower bound" is attained:

A1 = 3,500 shares

A2 = 3,750 shares

A3 = 0 to 5,000 shares

2. If the "intermediate bound" is attained:

A1 = 7,000 shares

A2 = 4,375 shares

A3 = 0 to 5,000 shares

3. If the "upper bound" is attained:

A1 = 10,000 shares

A2 = 5,000 shares

A3 = 0 to 5,000 shares

Between the bounds, A1 and A2 vary on a straight-line basis. For A3, performance will be measured on the basis of the average of the results obtained by the business segments, and will vary accordingly. If the "lower bound" is not attained, A = 0.

Continuing employment condition

The continuing employment condition for the award of long-term remuneration is the same as that described above for the Chief Executive Officer (section 5.4.1.2.1 B – Continuing employment condition).

Cap

Long-term remuneration may never exceed a cap of 100% of the beneficiaries' fixed plus variable remuneration.

Lock-up and hedging

The lock-up period for shares awarded to the beneficiaries as long-term remuneration is the same as that described above for the Chief Executive Officer (section 5.4.1.2.1 B – Lock-up and hedging).

As far as Bouygues is aware, no instruments have been contracted to hedge the shares awardable under this long-term remuneration package. In addition, the beneficiaries have made a formal undertaking not to enter into hedging transactions to cover their risks.

Relative weight of components of remuneration

If the cap applicable to variable remuneration and long-term remuneration were to be reached, the relative weight of the components of Edward Bouygues' remuneration would be as follows:

- Fixed remuneration would represent 24% of fixed plus variable remuneration.
- Annual variable remuneration would represent a maximum of 36% of fixed plus variable remuneration.
- Long-term variable remuneration would represent a maximum of 40% of fixed plus variable remuneration (base: Bouygues share price as of 31 December 2020).

In the case of Edward Bouygues, these figures relate solely to his remuneration for serving as a corporate officer, and do not include remuneration under his employment contract.

If the cap applicable to variable remuneration and long-term remuneration were to be reached, the relative weight of the components of Pascal Grangé's remuneration would be as follows:

- Fixed remuneration would represent 24% of fixed plus variable remuneration.
- Annual variable remuneration would represent a maximum of 42% of fixed plus variable remuneration.
- Long-term variable remuneration would represent a maximum of 34% of fixed plus variable remuneration (base: Bouygues share price as of 31 December 2020).

Benefits in kind

The Deputy Chief Executive Officers are provided with a company car and, in the case of Pascal Grangé, a chauffeur/security guard.

From 2021 onwards, the Deputy Chief Executive Officers will be provided with a fixed number of hours of tax and wealth management advice.

Collective death, disability and health cover

The Deputy Chief Executive Officers are entitled to benefits under the collective death, disability and health cover policies applied within Bouygues on the same terms and conditions as Bouygues employees.

For information, the company paid contributions of €4,566.12 into those policies in 2020.

The insurance policies relating to these schemes are subject to the same termination clauses as are standard under the ordinary law governing this type of policy.

Supplementary pension scheme

Vested-rights pension scheme governed by Article L. 137-11-2 of the Social Security Code (rights for periods of employment subsequent to 1 January 2021)

The Board meetings of 13 November 2019 and 19 February 2020 decided (acting on a proposal from the Selection and Remuneration Committee) to introduce a new pension scheme in compliance with currently applicable legislation (Article L. 137-11-2 of the Social Security Code). The new scheme will enable members of the Group Management Committee who have not reached the cap adopted by the Board to accumulate pension rights for periods of employment subsequent to 1 January 2021 such that they will receive the same level of annuity (0.92% a year) as under the previous scheme in place within Bouygues, subject to fulfilment of the performance conditions described below. In accordance with the new regulations, pension rights will vest annually and will no longer be subject to the individual still being with the Bouygues group at retirement.

The Deputy Chief Executive Officers, in their capacity as members of the Group Management Committee, are eligible for this new pension scheme and can accumulate rights (0.92% of reference remuneration per year) subject to attainment of the performance conditions defined above, with the caveat that their rights have not yet reached the cap of eight times the annual social security ceiling (a cap of €329,088 in 2021) set by the Board of Directors.

If they exceed this cap, their vested rights will be transformed into Bouygues shares with a one-year vesting period, which they would be required to retain until the date on which they retire, subject to a cap of fourteen times the annual social security ceiling (a cap of €575,904 in 2021) as set by the Board of Directors.

Retirement benefit scheme in the form of performance shares

Acting on a proposal from the Selection and Remuneration Committee, the Board of Directors decided at its meeting of 17 February 2021 to introduce a new retirement benefit scheme in the form of performance shares, on the terms set forth in Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code, for the benefit of members of the Group Management Committee.

This scheme applies to beneficiaries of the vested-rights scheme governed by Article L. 137-11-2 of the Social Security Code, provided they have reached the cap set by the Board of Directors (eight times the annual social security ceiling) in respect of the defined-benefit pension schemes operated within the company.

To date, the vested rights accumulated by Pascal Grangé have not reached that cap. Edward Bouygues has started to accumulate supplementary pension rights with effect from 1 January 2021.

Severance benefit on leaving office

No severance benefit is payable to the Deputy Chief Executive Officers on leaving office.

Non-competition indemnity

The Deputy Chief Executive Officers are not entitled to any non-competition indemnity.

5.4.1.3 Remuneration policy applicable to directors

A. HOLDING OF OFFICE AND CONTRACTS OF EMPLOYMENT

Directors hold office for a term of three years except for the directors representing employees, who hold office for a term of two years.

For more information about the directors, refer to section 5.1 (Information on corporate officers at 31 December 2020).

Directors may be removed from office at any time by a general meeting of shareholders.

Directors representing employees may be removed from office for misconduct in office. The term of office of a director representing employees ends automatically ahead of the normal expiry date if the individual's employment contract is terminated, or if the company employing the individual leaves the Bouygues group.

B. REMUNERATION

The Annual General Meeting of 27 April 2017 set the overall amount of remuneration awarded to directors for holding office at €1,000,000 per financial year.

The amount of remuneration received by directors is decided by the Board of Directors (within the overall amount approved by the shareholders at the Annual General Meeting), based on principles set by the Board. The actual amount depends on their attendance rate and the time they spend on their duties, including as a member of Board committees.

Directors could also receive remuneration in respect of specific duties that may be assigned to them by the Board; this would fall within the regulated agreements procedure, and as such would be submitted to a vote at a general meeting of shareholders.

Remuneration comprises a fixed portion of 30% and a variable portion of 70% calculated on the basis of attendance, determined in proportion to the actual participation of each director in the five periodic Board meetings held during each year and (for committee members) in committee meetings.

The arrangements for allocating the overall amount approved by the Annual General Meeting were amended by the Board of Directors in 2020 to align them more closely on the practices adopted by comparable companies.

Directors' remuneration amounts to:

• Chairman of the Board of Directors	€70,000
• Director	€48,000
• Chair of the Audit Committee	€38,000
• Member of the Audit Committee	€19,000
• Chair of any other committee	€30,000
• Member of other committees (Selection and Remuneration; Ethics, CSR and Patronage)	€15,000

Some directors receive remuneration for serving as directors within other Bouygues group companies.

A detailed analysis of remuneration awarded to directors in respect of the 2020 financial year is provided in section 5.4.2.7 of this Universal Registration Document.

Directors representing employees and directors representing employee shareholders

Under their employment contracts within the Group, directors representing employees and directors representing employee shareholders receive salaries that have no link with their office as directors.

Those salaries are not disclosed.

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5.4.2 Remuneration of corporate officers in 2020

Information required under Articles L. 22-10-8 and L. 22-10-34 paragraph II of the Commercial Code, and reiterating the principles and criteria approved by the fifth resolution of the Annual General Meeting of 23 April 2020 and the second resolution of the General Meeting of 4 September 2020. The Board of Directors has consistently applied the successive changes to the Afep-Medef Corporate Governance Code concerning executive remuneration, and the application guidance issued by the High Committee for Corporate Governance.

Compliance with the most recent shareholder vote

The Annual General Meeting of 23 April 2020 approved (with 94.27% of votes in favour) the seventh resolution, relating to the information specified in Article L. 22-10-9 of the Commercial Code regarding the components of remuneration paid or awarded to corporate officers in respect of the year ended 31 December 2019.

Suspension of remuneration paid to directors

Because the composition of the Board of Directors complies with the requirements of Article L. 225-18-1 of the Commercial Code, payment of the remuneration allocated to directors has not been suspended.

Other information on remuneration

The remuneration of Martin Bouygues and Olivier Bouygues, as determined by the Bouygues Board of Directors, is paid by SCDM. SCDM then invoices Bouygues this remuneration and the related social security charges, pursuant to the agreement governing relations between Bouygues and SCDM (which is subject to the regulated agreements procedure). That invoicing strictly reflects the amounts of remuneration as determined by the Bouygues Board of Directors. The agreement between Bouygues and SCDM is subject to approval by the Annual General Meeting of 22 April 2021 (fourth resolution) under the regulated agreements procedure.

As announced by Martin Bouygues at the Annual General Meeting on 23 April 2020, in light of the exceptional circumstances related to the Covid-19 pandemic, the Board meeting of 28 July 2020 – acting on a recommendation from the Selection and Remuneration Committee – decided to reduce by 25% the overall remuneration (fixed and variable) of the Executive Officers for 2020.

Consequently, the 2020 annual variable remuneration of the Executive Officers was adjusted as follows:

- Reducing the overall cap on annual variable remuneration to 95% of fixed remuneration (compared with 160% previously).
- Introducing a new criterion (P6) to assess the speed and effectiveness of the Executive Officers in managing the health crisis as regards employees and stakeholders, and in limiting its impacts.
- Readjusting the weights of criteria P1 to P4 to reflect the introduction of the new P6 criterion.
- Retaining unchanged the P1 to P4 objectives set by the Board meeting of 19 February 2020.
- Lowering the trigger levels to ensure that remuneration in respect of each criterion is proportionate to the percentage attainment level of the objectives.

During 2020, Philippe Marien and Olivier Bouygues resigned from office as Deputy CEOs, with effect from 19 February 2020 and 31 August 2020 respectively.

5.4.2.1 Remuneration of the Chairman and CEO for 2020

A. Total remuneration and benefits of all kinds

a. Components of remuneration

FIXED REMUNERATION

For the 2020 financial year, Martin Bouygues received gross annual fixed remuneration of €920,000. The amount of his fixed remuneration has remained unchanged since 2003.

ANNUAL VARIABLE REMUNERATION

The principles and criteria for 2020 annual variable remuneration were determined by the Board of Directors on 19 February 2020 and approved by the Annual General Meeting of 23 April 2020 (fifth resolution) and the General Meeting of 4 September 2020 (second resolution). The Board meeting of 17 February 2021 evaluated the 2020 performance of the Executive Officers.

An objective is set for each criterion. When an objective is attained, a variable portion corresponding to a percentage of fixed remuneration is awarded.

In the case of those portions of variable remuneration linked to a quantitative criterion, if an objective is exceeded or not attained the variable portion is adjusted on a straight-line basis within a specified range. The variable portion is subject to an upper limit, and is reduced to zero if the objective falls below a lower limit.

The sum total of the six variable portions calculated on this basis cannot under any circumstances exceed the overall cap, set in 2020, of 95% of each Executive Officer's fixed remuneration.

The criteria for variable remuneration, and their relative weights and attainment levels, are shown in the summary table below.

The company did not seek any clawback of variable remuneration.

THE SIX CRITERIA FOR DETERMINING 2020 GROSS ANNUAL VARIABLE REMUNERATION

The gross annual variable remuneration of Martin Bouygues for 2020 is based on the performance of the Group, determined by reference to:

- **Four financial criteria:**
  - **P1: Actual consolidated current operating profit (COP)** of the Group for the year / Objective = COP per the 2020 plan
  - **P2: Actual consolidated net profit attributable to the Group (CNP)** for the year / Objective = CNP per the 2020 plan
  - **P3: Actual CNP for the year** (excluding exceptional items) / Objective = actual CNP for the previous year (excluding exceptional items)
  - **P4: Change in net debt (CND)** in the year (excluding external growth not built into the plan) / Objective = CND per the 2020 plan

The objectives have been precisely defined, but are not disclosed for confidentiality reasons. Nevertheless, the attainment level for each criterion (as a percentage of fixed remuneration) is disclosed in the table below.

- **Extra-financial criteria: performance in CSR and compliance, and an assessment of managerial performance**

The Board of Directors determines the effective weight of each of the extra-financial criteria, subject to a cap of 30% of fixed remuneration. Each of the CSR, compliance and managerial assessment criteria is subject to a 10% cap.

The objectives defined by the Board for the extra-financial criteria were:

- improving safety in terms of reducing workplace accident rates (this objective was partially attained in 2019);
- the Bouygues group retaining its place in the Carbon Disclosure Project (CDP) index with an A or A- rating;
- applying the Sapin 2 law.

- **Criteria relating to the handling of the Covid-19 crisis:**

In accordance with the decision taken at the Board meeting of 28 July 2020 and on a recommendation from the Selection and Remuneration Committee, a sixth criterion was introduced to assess how well the Covid-19 crisis was managed within the Group. The General Meeting of 4 September 2020 approved the new criterion, and the associated calculation methods.

Three objectives were adopted for use in calculating attainment levels for this criterion, none of which may exceed 10% of fixed remuneration:

- 10% on implementation of measures to protect the health and safety of employees;
- 10% on management of the Group's cash and liquidity resources;
- 10% on adaptability in limiting the impacts of the Covid-19 crisis.

Martin Bouygues is eligible for gross annual variable remuneration of €874,000 in respect of 2020.

Summary table: gross annual variable remuneration of Martin Bouygues for 2020

	Theoretical annual variable remuneration if objective is attained Caps as % of FR	**Maximum theoretical annual variable remuneration if objective is exceeded** as % of FR	**Annual variable remuneration awarded based on 2020 performance** as % of FR
Financial criteria			
P1 COP	25%	35%	17%
P2 CNP	25%	30%	17%
P3 CNP vs 2019	30%	35%	19%
P4 CND	20%	40%	40%
Extra-financial criteria			
P5	30%	30%	25%
Covid-19 criteria			
P6	30%	30%	30%
	Total = 160% of FR Reduced to 95%	Total = 200% of FR Reduced to 95%	Total = 148% of FR Reduced to 95%
Cap	95%	95%	95%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Martin Bouygues received no exceptional remuneration in respect of the 2020 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 23 April 2020 approved, as part of the 2020 remuneration policy, the principle of awarding long-term remuneration in the form of contingent awards of shares to Executive Officers, to strengthen the alignment between their interests and those of the shareholders.

Martin Bouygues was not awarded any long-term remuneration given his personal circumstances, which already guarantee that his interests are aligned with those of the shareholders.

OTHER COMPONENTS OF REMUNERATION

Social protection

Martin Bouygues benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Contributions paid under those policies amounted to €4,566.12 in respect of the 2020 financial year.

Supplementary pension scheme

Contingent-rights pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of service prior to 1 January 2020)

Martin Bouygues, who joined the scheme before 4 July 2019, was eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code. In accordance with Law No. 2019-486 of 22 May 2019 (the Pacte law) and Order No. 2019-697 of 3 July 2019, this scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Martin Bouygues acquired no further contingent rights under this scheme during the 2020 financial year.

The characteristics of the contingent-rights pension scheme governed by Article L. 137-11 of the Social Security Code are as follows:

1. Title of the commitment: defined-benefit collective pension scheme.
2. Reference to legal provisions identifying the scheme: Article L. 137-11 of the Social Security Code.
3. Conditions for joining the scheme and other eligibility conditions. The beneficiary must:
   - have been a member of the Group Management Committee as of 4 July 2019;
   - have at least ten years' service with the Bouygues group at the date of voluntary or compulsory retirement;
   - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of voluntary or compulsory retirement);
   - be at least 65 years old at the date of voluntary or compulsory retirement;
   - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (AGIRC-ARRCO);
   - meet the performance conditions set by the Board of Directors.
4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries:
   - The reference salary must be equal to the average gross salary of the three best calendar years of the Executive Officer or employee at the Bouygues group during his or her period on the Group Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC-ARRCO scheme, on the date the term of office ends or the employment contract is terminated.
   - The reference gross salary consists of the fixed and variable remuneration used to calculate social security contributions in accordance with Article L. 242-1 of the Social Security Code.
5. Pattern of vesting of rights: annual.

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6. Annual cap on vesting of pension rights: up to 0.92% of reference salary, depending on the level of attainment of performance conditions.
7. Overall cap (amount and calculation method): eight times the annual social security ceiling, giving a cap of €329,088 in 2020.
8. Funding arrangements for the benefit: outsourced to an insurance company, to which a contribution is paid.
9. Estimated amount of annual annuity as of 31 December 2020: eight times the annual social security ceiling.
10. Tax and social security charges borne by the company: the contributions paid into the scheme by the company are not subject to employer's social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 24% of those contributions.

Vested-rights pension scheme governed by Article L. 137-11-2 of the Social Security Code

Vesting of rights under this scheme is subject to a performance condition.

The table below summarises the method used to determine pension rights for 2020:

Supplementary pension		
Annual cap on vesting of pension rights = 0.92% of the 2020 reference salary (Fixed + Annual Variable)		
Performance conditions		
Objective = Plan averages - 10% (average CNP forecast per the 2020, 2019 and 2018 plans)	If the average of actual CNP figures for 2020, 2019 and 2018 is more than 10% below the Objective, Pension rights = 0	If the average of actual CNP figures for 2020, 2019 and 2018 is equal to or greater than the Objective, Pension rights = 0.92%
	Linear interpolation between 0% and 0.92%	

NB: Overall cap on pension rights = eight times social security ceiling (giving a cap of €329,088 in 2020).

Note: Annual pension rights for 2020 are contingent on CNP performances for 2020, 2019 and 2018.

The characteristics of the vested-rights pension scheme governed by Article L. 137-11-2 of the Social Security Code are as follows:

1. Title of the commitment: defined-benefit collective pension scheme.
2. Reference to legal provisions identifying the scheme:
   Article L. 137-11-2 of the Social Security Code.
3. Conditions for joining the scheme and other eligibility conditions. The beneficiary must:
   - be a member of the Group Management Committee;
   - have at least three years of service within a Bouygues group company.
4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries:

   The reference remuneration will be equal to the sum of gross annual fixed remuneration plus gross annual variable remuneration received in 2020.
5. Pattern of vesting of rights: annual.
6. Annual cap on vesting of pension rights: 0.92% of reference salary.
7. Overall cap (amount and calculation method): set by the Board of Directors at eight times the annual social security ceiling, giving a cap of €329,088 in 2020.
8. Overall cap on vesting of rights under all schemes governed by Article L. 237-11-2 of the Social Security Code: 30 points.
9. Performance conditions: see table above.
10. Funding arrangements for the benefit: outsourced to an insurance company, to which a contribution is paid each year.
11. Estimated amount of annual annuity of Martin Bouygues as of 31 December 2020: eight times the annual social security ceiling.
12. Tax and social security charges borne by the company: the contributions paid into the scheme by the company are not subject to employer's social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 29.7% of those contributions.

Martin Bouygues has been unable to acquire any supplementary pension rights since 2019 since the rights vested in him to date have reached the cap set by the Board of Directors (eight times the annual social security ceiling).

Consequently, Martin Bouygues has not acquired any rights in respect of 2020.

OTHER FORMS OF REMUNERATION

Martin Bouygues received benefits in kind consisting of the use of a company car and the assignment of a part-time personal assistant and a chauffeur/security guard for his personal needs.

Those benefits amounted to €31,050 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Martin Bouygues received annual remuneration of €79,713 for serving as a director, of which €9,713 came from Group subsidiaries.

b. Remuneration paid by entities included in the scope of consolidation

As mentioned above, Martin Bouygues received remuneration for serving as a director of companies within the Group.

He received no other remuneration paid by entities included in the scope of consolidation.

c. Relative weight of components of remuneration

Variable remuneration represented 95% of fixed remuneration for the 2020 financial year.

B. Executive pay ratio and trends in performance

Pay ratio between the remuneration of the Chairman and CEO and the average and median remuneration of Bouygues SA employees

In implementing the executive pay ratio, Bouygues applied the provisions contained in points 6 and 7 of Article L. 22-10-9 I of the Commercial Code, and the guidance issued by Afep on 28 January 2020. Both the Executive Officer's remuneration, and average and median remuneration, were calculated on the basis of remuneration paid during the year.

In accordance with Article 26.2 of the Afep-Medef Code, the scope used covered more than 80% of the Group's workforce in France.

Ratios pursuant to points 6 and 7 of Article L. 22-10-9 I of the Commercial Code (year-on-year change)

Martin Bouygues Chairman and CEO	**2016**	**2017**	**2018**	**2019**	**2020**
Year-on-year change in remuneration (%)	**(58)%**	**137%**	**11%**	**(1)%**	**(6)%**
Information for Bouygues SA scope					
Year-on-year change in average employee remuneration (%)	(17)%	5%	3%	(3)%	(9)%
Ratio to average employee remuneration	6	13	14	14	15
Year-on-year change in ratio (%)	(45)%	117%	8%	0%	7%
Ratio to median employee remuneration	16	36	39	40	37
Year-on-year change in ratio (%)	(54)%	125%	8%	3%	(8)%
Additional information for Bouygues France scope (nearly 92% of the workforce)					
Year-on-year change in average employee remuneration (%)	4%	2%	3%	3%	0%
Ratio to average employee remuneration	23	54	58	56	52
Year-on-year change in ratio (%)	(60)%	135%	7%	(3)%	(7)%
Ratio to median employee remuneration	29	67	72	69	64
Year-on-year change in ratio (%)	(59)%	131%	7%	(4)%	(7)%
Company performance					
Financial criterion	Net profit	Net profit	Net profit	Net profit	Net profit
Year-on-year change (%)	82%	48%	21%	(10)%	(41)%

- Only employees in post for all 12 months of the year in question were included when calculating these ratios. Note that the construction and roads businesses, which account for the majority of the workforce, include a high proportion of site workers and of clerical, technical and supervisory staff.
- In accordance with Afep-Medef recommendations, the scope used is that of Bouygues France, which accounts for nearly 92% of the workforce (higher than the proportion used in calculating the 2019 executive pay ratio).

Explanation of year-on-year changes:

- Because variable remuneration in respect of a given year is not paid until the following year, trends in annual executive remuneration and in the executive pay ratio for any one year should be compared with trends in company performance for the previous year.
- 2016/2015: no variable remuneration was paid to Martin Bouygues in 2016 in respect of 2015.
- 2019/2018: 2019 net profit attributable to the Group was down due to a lower level of non-current income, mainly at Bouygues Telecom.
- 2020/2019: net profit was lower year-on-year, mainly as a result of the Covid-19 crisis.

C. Compliance with remuneration policy

The components of Martin Bouygues' remuneration comply with the arrangements determined by the Board of Directors on the recommendation of the Selection and Remuneration Committee, which together constitute the company's remuneration policy as approved by the Annual General Meeting on 23 April 2020 (fifth resolution, approved with 77.57% of the votes cast). In accordance with the Board's decision of 28 July 2020, in light of the exceptional circumstances related to the Covid-19 pandemic and acting on a recommendation from the Selection and Remuneration Committee, that remuneration policy was updated, and the updated version was approved by the General Meeting held on 4 September 2020 (second resolution, approved with 80.99% of the votes cast).

The company has not deviated from the procedure for implementing the remuneration policy as approved by the shareholders at the two aforementioned General Meetings.

The company has not made any exceptions to the remuneration policy.

The remuneration paid contributes to the company's long-term performance insofar as the criteria for variable remuneration are designed to support sustainable growth and a sound financial position, and hence are consistent with the Group's long-term strategy.

5.4.2.2 Remuneration of the Deputy CEO, Olivier Bouygues, for 2020

A. Total remuneration and benefits of all kinds

Olivier Bouygues having resigned from office as a Deputy CEO on 31 August 2020, his fixed and variable remuneration will be apportioned on a pro rata temporis basis based on the period of his service with the company.

a. Components of remuneration

FIXED REMUNERATION

For the 2020 financial year, Olivier Bouygues received gross annual fixed remuneration of €333,333, calculated on a pro rata temporis basis.

ANNUAL VARIABLE REMUNERATION

The principles and criteria applied in determining the annual variable remuneration of Olivier Bouygues are identical to those applied to the Chairman and CEO (see section 5.4.2.1.A.a – Components of remuneration – Variable remuneration).

Olivier Bouygues is eligible for gross annual variable remuneration for 2020 of €316,667, calculated on a pro rata temporis basis.

The company did not seek any clawback of variable remuneration.

Summary table: gross annual variable remuneration of Olivier Bouygues for 2020

	Theoretical annual variable remuneration if objective is attained Caps as % of FR	**Maximum theoretical annual variable remuneration if objective is exceeded** as % of FR	**Annual variable remuneration awarded based on 2020 performance** as % of FR
Financial criteria			
P1 COP	25%	35%	17%
P2 CNP	25%	30%	17%
P3 CNP vs 2019	30%	35%	19%
P4 CND	20%	40%	40%
Extra-financial criteria			
P5	30%	30%	25%
Covid-19 criteria			
P6	30%	30%	30%
	Total = 160% of FR Reduced to 95%	Total = 200% of FR Reduced to 95%	Total = 148% of FR Reduced to 95%
Cap	95%	95%	95%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Olivier Bouygues received no exceptional remuneration in respect of the 2020 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 23 April 2020 approved, as part of the 2020 remuneration policy, the principle of awarding long-term remuneration in the form of contingent awards of shares to Executive Officers, to strengthen the alignment between their interests and those of the shareholders.

Olivier Bouygues was not awarded any long-term remuneration given his personal circumstances, which already guarantee that his interests are aligned with those of the shareholders.

OTHER COMPONENTS OF REMUNERATION

Social protection

Olivier Bouygues benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Contributions paid under those policies amounted to €3,044.08 in respect of the 2020 financial year.

Supplementary pension scheme

Contingent-rights pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of service prior to 1 January 2020)

Deputy CEOs who joined the scheme before 4 July 2019 were eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code, the characteristics of which are described above (see section 5.4.2.1 – Supplementary pension scheme). Vesting of rights under this scheme is subject to performance conditions.

In accordance with Law No. 2019-486 of 22 May 2019 (the Pacte law) and Order No. 2019-697 of 3 July 2019, this scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Consequently, Olivier Bouygues acquired no further rights in respect of the 2020 financial year.

The estimated amount of his annuity under the scheme is eight times the annual social security ceiling (€329,088 in 2020).

Vested-rights pension scheme governed by Article L. 137-11-2 of the Social Security Code

Given the closure of the contingent-rights scheme governed by Article L. 137-11 of the Social Security Code and the freezing of beneficiaries' rights as of 31 December 2019, the company has introduced a vested-rights pension scheme in compliance with Article L. 137-11-2 of the Social Security Code.

Olivier Bouygues is eligible for this scheme, the characteristics of which – in particular, the performance conditions – are described above (see section 5.4.2.1 – Supplementary pension scheme).

Because Olivier Bouygues has reached the cap of eight times the social security ceiling (a cap of €329,088 in 2020), he acquired no new rights under this scheme in 2020.

Having taken his pension rights in 2020, Olivier Bouygues will receive an annual annuity estimated at eight times the social security ceiling with effect from 1 September 2020.

In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

OTHER FORMS OF REMUNERATION

Olivier Bouygues received benefits in kind consisting of the use of a company car and the assignment of a part-time personal assistant and a chauffeur/security guard for his personal needs.

Those benefits amounted to €7,171 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Olivier Bouygues received annual remuneration of €102,000 for serving as a director, of which €54,000 came from Group subsidiaries.

b. Remuneration paid by entities included in the scope of consolidation

As mentioned above, Olivier Bouygues received remuneration for serving as a director of companies within the Group.

Olivier Bouygues received no other remuneration paid by entities included in the scope of consolidation.

c. Relative weight of components of remuneration

Variable remuneration represented 95% of fixed remuneration for the 2020 financial year.

B. Executive pay ratio and trends in performance

Pay ratio between the remuneration of the Deputy CEO and the average and median remuneration of Bouygues SA employees

In implementing the executive pay ratio, Bouygues applied the provisions contained in points 6 and 7 of Article L. 22-10-9 I of the Commercial Code, and the guidance issued by Afep on 28 January 2020. Both the Executive Officer's remuneration, and average and median remuneration, were calculated on the basis of remuneration paid during the year.

In accordance with Article 26.2 of the Afep-Medef Code, the scope used covered more than 80% of the Group's workforce in France.

Ratios pursuant to points 6 and 7 of Article L. 22-10-9 I of the Commercial Code (year-on-year change)

Olivier Bouygues Deputy CEO (left office 31/08/2020)	2016	2017	2018	2019	2020
Year-on-year change in remuneration (%)	**(41)%**	**130%**	**11%**	**(1)%**	**(5)%**
Information for Bouygues SA scope					
Year-on-year change in average employee remuneration (%)	(17)%	5%	3%	(3)%	(9)%
Ratio to average employee remuneration	3	7	8	8	8
Year-on-year change in ratio (%)	(40)%	133%	14%	0%	0%
Ratio to median employee remuneration	9	20	22	22	21
Year-on-year change in ratio (%)	(40)%	122%	10%	0%	(5)%
Additional information for Bouygues France scope (nearly 92% of the workforce)					
Year-on-year change in average employee remuneration (%)	4%	2%	3%	3%	0%
Ratio to average employee remuneration	13	30	32	31	30
Year-on-year change in ratio (%)	(43)%	131%	7%	(3)%	(3)%
Ratio to median employee remuneration	17	38	40	38	36
Year-on-year change in ratio (%)	(41)%	124%	5%	(5)%	(5)%
Company performance					
Financial criterion	Net profit	Net profit	Net profit	Net profit	Net profit
Year-on-year change (%)	82%	48%	21%	(10)%	(41)%

- Only employees in post for all 12 months of the year in question were included when calculating these ratios. Note that the construction and roads businesses, which account for the majority of the workforce, include a high proportion of site workers and of clerical, technical and supervisory staff.
- In accordance with Afep-Medef recommendations, the scope used is that of Bouygues France, which accounts for nearly 92% of the workforce (higher than the proportion used in calculating the 2019 executive pay ratio).

Explanations:

- Because variable remuneration in respect of a given year is not paid until the following year, trends in annual executive remuneration and in the executive pay ratio for any one year should be compared with trends in company performance for the previous year.
- 2016/2015: no variable remuneration was paid to Olivier Bouygues in 2016 in respect of 2015.
- 2019/2018: 2019 net profit attributable to the Group was down due to a lower level of non-current income, mainly at Bouygues Telecom.
- 2020/2019: net profit was lower year-on-year, mainly as a result of the Covid-19 crisis.

C. Compliance with remuneration policy

The components of Olivier Bouygues' remuneration comply with the arrangements determined by the Board of Directors on the recommendation of the Selection and Remuneration Committee, which together constitute the company's remuneration policy as approved by the Annual General Meeting on 23 April 2020 (fifth resolution, approved with 77.57% of the votes cast). In accordance with the Board's decision of 28 July 2020, in light of the exceptional circumstances related to the Covid-19 pandemic and acting on a recommendation from the Selection and Remuneration Committee, that remuneration policy was updated, and the updated version was approved by the General Meeting held on 4 September 2020 (second resolution, approved with 80.99% of the votes cast).

The company has not deviated from the procedure for implementing the remuneration policy as approved by the shareholders at the two aforementioned General Meetings.

The company has not made any exceptions to the remuneration policy.

The remuneration paid contributes to the company's long-term performance insofar as the criteria for variable remuneration are designed to support sustainable growth and a sound financial position, and hence are consistent with the Group's long-term strategy.

5.4.2.3 Remuneration of the Deputy CEO, Olivier Roussat, for 2020

A. Total remuneration and benefits of all kinds

a. Components of remuneration

FIXED REMUNERATION

For the 2020 financial year, Olivier Roussat received gross annual fixed remuneration of €1,250,000.

VARIABLE REMUNERATION

The principles and criteria applied in determining the annual variable remuneration of Olivier Roussat are identical to those applied to the Chairman and CEO (see section 5.4.2.1.A.a – Components of remuneration – Variable remuneration).

Olivier Roussat is eligible for gross annual variable remuneration of €1,187,500 in respect of 2020.

The company did not seek any clawback of variable remuneration.

Summary table: gross annual variable remuneration of Olivier Roussat for 2020

	Theoretical annual variable remuneration if objective is attained Caps as % of FR	**Maximum theoretical annual variable remuneration if objective is exceeded** as % of FR	**Annual variable remuneration awarded based on 2020 performance** as % of FR
Financial criteria			
P1 COP	25%	35%	17%
P2 CNP	25%	30%	17%
P3 CNP vs 2019	30%	35%	19%
P4 CND	20%	40%	40%
Extra-financial criteria			
P5	30%	30%	25%
Covid-19 criteria			
P6	30%	30%	30%
	Total = 160% of FR Reduced to 95%	Total = 200% of FR Reduced to 95%	Total = 148% of FR Reduced to 95%
Cap	95%	95%	95%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Olivier Roussat received no exceptional remuneration in respect of the 2020 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 23 April 2020 approved, as part of the 2020 remuneration policy, the principle of awarding long-term remuneration in the form of contingent awards of shares to Executive Officers, to strengthen the alignment between their interests and those of the shareholders.

Olivier Roussat received a contingent award of a maximum of 40,000 shares, subject to performance conditions measured over three years, and valued at a total of €418,800 on the date of the award.

The number of shares awarded in 2020 was determined as follows:

- **A1: Objective** = average of the current operating profit (COP) figures for the 2019, 2020 and 2021 financial years set as objectives in the annual business plans.
  - If the Objective is attained, A1 = 0 shares.
  - If the average of the three COP figures is at least 20% above the Objective, A1 = 37.5% of the total number of shares potentially awardable in 2022 (i.e. 15,000 shares in 2022).

    Between those lower and upper limits, A1 varies on a straight-line basis between 0% and 37.5% (i.e. 0 to 15,000 shares in 2022).

- **A2: Objective** = average of the consolidated net profit (CNP) figures of the Group for the 2019, 2020 and 2021 financial years set as objectives in the annual business plans.
  - If the Objective is attained, A2 = 0 shares.
  - If the average of the three CNP figures is at least 20% above the Objective, A2 = 37.5% of the total number of shares potentially awardable in 2022 (i.e. 15,000 shares in 2022).

    Between those lower and upper limits, A2 varies on a straight-line basis between 0% and 37.5% (i.e. 0 to 15,000 shares in 2022).
- **A3: Objective** = stock market performance of Bouygues shares, including reinvestment of the dividend at the opening market price on the dividend ex-date (TSR) = CAC 40 performance over the plan period.
  - If the Objective is attained, A3 = 0 shares.
  - If the Bouygues share performance relative to the CAC 40 is 10% or more above the Objective over the plan period, A3 = 25% of the total number of shares potentially awardable in 2022 (i.e. 10,000 shares in 2022).

    Between those lower and upper limits, A3 varies on a straight-line basis between 0% and 25% (i.e. 0 to 10,000 shares in 2022).

Overview of performance conditions for the 2020 contingent shares plan

37.5%	37.5%	25%
Average COP	Average CNP	Bouygues TSR/CAC 40 TSR

In 2019, Bouygues ended the multi-year variable remuneration package to which Olivier Roussat had been entitled. Consequently, it was proposed that from 2019 (in line with the 2019 remuneration policy approved by the eleventh resolution of the Annual General Meeting of 25 April 2019) he should be granted a new long-term remuneration package on the following terms:

Additional award of a maximum of 26,666 shares subject to performance conditions relating to the 2019 and 2020 financial years, with a total value of €460,711 at the date of the award.

The Board meeting of 17 February 2021 formally noted that none of the three criteria (A1, A2 and A3) had been met in 2020. Consequently, no shares were awarded to Olivier Roussat.

OTHER COMPONENTS OF REMUNERATION

Social protection

Olivier Roussat benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Contributions paid under those policies amounted to €4,566.12 in respect of the 2020 financial year.

Supplementary pension scheme

Contingent-rights pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of service prior to 1 January 2020)

The Deputy CEOs, who joined the scheme before 4 July 2019, are eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code, the characteristics of which are described above (see section 5.4.2.1 – Supplementary pension scheme). Vesting of rights under this scheme is subject to performance conditions.

In accordance with Law No. 2019-486 of 22 May 2019 (the Pacte law) and Order No. 2019-697 of 3 July 2019, this scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Consequently, Olivier Roussat acquired no further rights in respect of the 2020 financial year.

The estimated amount of his annuity under the scheme is €272,031.

Pension scheme governed by Article L. 137-11-2 of the Social Security Code

Given the closure of the contingent-rights scheme governed by Article L. 137-11 of the Social Security Code and the freezing of beneficiaries' rights as of 31 December 2019, the company has introduced a vested-rights pension scheme in compliance with Article L. 137-11-2 of the Social Security Code.

Olivier Roussat is eligible for this scheme, the characteristics of which – in particular, the performance conditions – are described above (see section 5.4.2.1 – Supplementary pension scheme).

The performance conditions for the 2020 financial year were met. Olivier Roussat therefore acquired pension rights equivalent to 0.92% of his reference salary.

The estimated amount of his annuity under the scheme as at 31 December 2020 is €22,425.

OTHER FORMS OF REMUNERATION

Olivier Roussat received benefits consisting of the use of a company car with chauffeur for business purposes and unemployment insurance.

Those benefits amounted to €20,457 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Olivier Roussat received annual remuneration of €56,400 for serving as a director with Group subsidiaries.

b. Remuneration paid by entities included in the scope of consolidation

As mentioned above, Olivier Roussat received remuneration for serving as a director of companies within the Group.

Olivier Roussat also received fixed annual remuneration of €150,000 for serving as Chairman of the Board of Directors of Colas SA.

c. Relative weight of components of remuneration

Variable remuneration represented 95% of fixed remuneration for the 2020 financial year.

B. Executive pay ratio and trends in performance

Pay ratio between the remuneration of the Deputy CEO and the average and median remuneration of Bouygues SA employees

In implementing the executive pay ratio, Bouygues applied the provisions contained in points 6 and 7 of Article L. 22-10-9 I of the Commercial Code, and the guidance issued by Afep on 28 January 2020. Both the Executive Officer's remuneration, and average and median remuneration, were calculated on the basis of remuneration paid during the year.

In accordance with Article 26.2 of the Afep-Medef Code, the scope used covered more than 80% of the Group's workforce in France.

Ratios pursuant to points 6 and 7 of Article L. 22-10-9 I of the Commercial Code (year-on-year change)

Olivier Roussat Deputy CEO	**2016**	**2017**	**2018**	**2019**	**2020**
Year-on-year change in remuneration (%)	**N/A**	**83%**	**29%**	**(1)%**	**12%**
Information for Bouygues SA scope					
Year-on-year change in average employee remuneration (%)	(17)%	5%	3%	(3)%	(9)%
Ratio to average employee remuneration	6	11	14	14	17
Year-on-year change in ratio (%)	N/A	83%	27%	0%	21%
Ratio to median employee remuneration	18	30	38	39	44
Year-on-year change in ratio (%)	N/A	67%	27%	3%	13%
Additional information for Bouygues France scope (nearly 92% of the workforce)					
Year-on-year change in average employee remuneration (%)	4%	2%	3%	3%	0%
Ratio to average employee remuneration	26	46	57	55	61
Year-on-year change in ratio (%)	N/A	77%	24%	(4)%	11%
Ratio to median employee remuneration	32	57	71	67	75
Year-on-year change in ratio (%)	N/A	78%	25%	(6)%	12%
Company performance					
Financial criterion	Net profit	Net profit	Net profit	Net profit	Net profit
Year-on-year change (%)	82%	48%	21%	(10)%	(41)%

- Only employees in post for all 12 months of the year in question were included when calculating these ratios. Note that the construction and roads businesses, which account for the majority of the workforce, include a high proportion of site workers and of clerical, technical and supervisory staff.
- Olivier Roussat was appointed as a Deputy CEO in August 2016.
- In accordance with Afep-Medef recommendations, the scope used is that of Bouygues France, which accounts for nearly 92% of the workforce (higher than the proportion used in calculating the 2019 executive pay ratio).

Explanations:

- Because variable remuneration in respect of a given year is not paid until the following year, trends in annual executive remuneration and in the executive pay ratio for any one year should be compared with trends in company performance for the previous year.
- 2016 : Because Olivier Roussat was appointed as a Deputy CEO in August 2016, his remuneration for that year has been annualised at 100% over the full year. No variable remuneration was paid to him in respect of his office.
- 2019/2018: 2019 net profit attributable to the Group was down due to a lower level of non-current income, mainly at Bouygues Telecom.
- 2020/2019: net profit was lower year-on-year, mainly as a result of the Covid-19 crisis. The structure of Olivier Roussat's remuneration was altered due to governance changes during 2020 (departure of two Deputy CEOs: Olivier Bouygues and Philippe Marien).

C. Compliance with remuneration policy

The components of Olivier Roussat's remuneration comply with the arrangements determined by the Board of Directors on the recommendation of the Selection and Remuneration Committee, which together constitute the company's remuneration policy as approved by the Annual General Meeting on 23 April 2020 (fifth resolution, approved with 77.57% of the votes cast). In accordance with the Board's decision of 28 July 2020, in light of the exceptional circumstances related to the Covid-19 pandemic and acting on a recommendation from the Selection and Remuneration Committee, that remuneration policy was updated, and the updated version was approved by the General Meeting held on 4 September 2020 (second resolution, approved with 80.99% of the votes cast).

The company has not deviated from the procedure for implementing the remuneration policy.

The company has not made any exceptions to the remuneration policy as approved by the shareholders at the two aforementioned General Meetings.

The remuneration paid contributes to the company's long-term performance insofar as:

- part of the remuneration is contingent on long-term performance;
- the criteria for variable remuneration and long-term remuneration are designed to support sustainable growth and a sound financial position, and hence are consistent with the Group's long-term strategy.

5.4.2.4 Remuneration of the Deputy CEO, Philippe Marien, for 2020

Philippe Marien resigned from office as a Deputy CEO with effect from 19 February 2020.

As stated in the 2019 Universal Registration Document, Philippe Marien's fixed remuneration for the 2020 financial year was apportioned on a pro rata temporis basis. He also indicated that he would forego any annual variable remuneration for the 2020 financial year.

A. Total remuneration and benefits of all kinds

a. Components of remuneration

FIXED REMUNERATION

Philippe Marien received gross annual fixed remuneration of €153,333 in respect of 2020.

ANNUAL VARIABLE REMUNERATION

Philippe Marien received no annual variable remuneration in respect of 2020.

EXCEPTIONAL REMUNERATION

Philippe Marien received no exceptional remuneration in respect of 2020.

LONG-TERM REMUNERATION

Philippe Marien received no contingent awards of shares in respect of 2020.

OTHER COMPONENTS OF REMUNERATION

Social protection

Philippe Marien benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Contributions paid under those policies amounted to €761.02 in respect of 2020.

Supplementary pension scheme

Contingent-rights pension scheme governed by Article L. 137-11 of the Social Security Code (rights for periods of service prior to 1 January 2020)

The Deputy CEOs, who joined the scheme before 4 July 2019, are eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code, the characteristics of which are described above (see section 5.4.2.1 – Supplementary pension scheme). Vesting of rights under this scheme is subject to performance conditions.

In accordance with Law No. 2019-486 of 22 May 2019 (the Pacte law) and Order No. 2019-697 of 3 July 2019, this scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Consequently, Philippe Marien acquired no further rights in respect of 2020.

The estimated amount of his annuity under the scheme is €279,112.

Contingent-rights pension scheme governed by Article L. 137-11-2 of the Social Security Code

Given the closure of the contingent-rights scheme governed by Article L. 137-11 of the Social Security Code and the freezing of beneficiaries' rights as of 31 December 2019, the company has introduced a vested-rights pension scheme in compliance with Article L. 137-11-2 of the Social Security Code.

Philippe Marien is eligible for this scheme, the characteristics of which – in particular, the performance conditions – are described above (see section 5.4.2.1 – Supplementary pension scheme).

The estimated amount of his annuity under the scheme is €1,411.

Having taken his pension rights in 2020, Philippe Marien will receive an annual pension of €280,523 given his length of service. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

OTHER FORMS OF REMUNERATION

Philippe Marien received benefits consisting of the use of a company car with chauffeur for business purposes.

Those benefits amounted to €787.74 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Philippe Marien received annual remuneration of €27,094 for serving as a director with Group subsidiaries.

b. Remuneration paid by entities included in the scope of consolidation

As mentioned above, Philippe Marien received remuneration for serving as a director of companies within the Group.

Philippe Marien received no other remuneration paid by entities included in the scope of consolidation.

B. Executive pay ratio and trends in performance

Pay ratio between the remuneration of the Deputy CEO and the average and median remuneration of Bouygues SA employees

In implementing the executive pay ratio, Bouygues applied the provisions contained in points 6 and 7 of Article L. 22-10-9 I of the Commercial Code, and the guidance issued by Afep on 28 January 2020. Both the Executive Officer's remuneration, and average and median remuneration, were calculated on the basis of remuneration paid during the year.

In accordance with Article 26.2 of the Afep-Medef Code, the scope used covered more than 80% of the Group's workforce in France.

Ratios pursuant to points 6 and 7 of Article L. 22-10-9 I of the Commercial Code (year-on-year change)

Philippe Marien Deputy CEO (left office 19/02/2020)	**2016**	**2017**	**2018**	**2019**	**2020**
Year-on-year change in remuneration (%)	**N/A**	**161%**	**22%**	**(2)%**	**(3)%**
Information for Bouygues SA scope					
Year-on-year change in average employee remuneration (%)	(17)%	5%	3%	(3)%	(9)%
Ratio to average employee remuneration	6	12	14	14	15
Year-on-year change in ratio (%)	N/A	100%	17%	0%	7%
Ratio to median employee remuneration	17	32	39	39	38
Year-on-year change in ratio (%)	N/A	88%	22%	0%	(3)%
Additional information for Bouygues France scope (nearly 92% of the workforce)					
Year-on-year change in average employee remuneration (%)	4%	2%	3%	3%	0%
Ratio to average employee remuneration	25	49	58	55	53
Year-on-year change in ratio (%)	N/A	96%	18%	(5)%	(4)%
Ratio to median employee remuneration	31	61	72	68	65
Year-on-year change in ratio (%)	N/A	97%	18%	(6)%	(4)%
Company performance					
Financial criterion	Net profit	Net profit	Net profit	Net profit	Net profit
Year-on-year change (%)	82%	48%	21%	(10)%	(41)%

- Only employees in post for all 12 months of the year in question were included when calculating these ratios. Note that the construction and roads businesses, which account for the majority of the workforce, include a high proportion of site workers and of clerical, technical and supervisory staff.
- Philippe Marien was appointed as a Deputy CEO in August 2016.
- In accordance with Afep-Medef recommendations, the scope used is that of Bouygues France, which accounts for nearly 92% of the workforce (higher than the proportion used in calculating the 2019 executive pay ratio).

Explanations:

- Because variable remuneration in respect of a given year is not paid until the following year, trends in annual executive remuneration and in the executive pay ratio for any one year should be compared with trends in company performance for the previous year.
- 2016: Because Philippe Marien was appointed as a Deputy CEO in August 2016, his remuneration for that year has been annualised at 100% over the full year. No variable remuneration was paid to him in respect of his office.
- 2019/2018: 2019 net profit attributable to the Group was down due to a lower level of non-current income, mainly at Bouygues Telecom.
- 2020/2019: net profit was lower year-on-year, mainly as a result of the Covid-19 crisis.

C. Compliance with remuneration policy

The components of Philippe Marien's remuneration comply with the arrangements determined by the Board of Directors on the recommendation of the Selection and Remuneration Committee, which together constitute the company's remuneration policy as approved by the Annual General Meeting on 23 April 2020 (fifth resolution, approved with 77.57% of the votes cast).

The company has not deviated from the procedure for implementing the remuneration policy.

The company has not made any exceptions to the remuneration policy as approved by the shareholders at the two General Meetings of 2020.

5.4.2.5 Directors' remuneration for 2020

A. Total remuneration and benefits of all kinds

a. Components of remuneration

The remuneration paid to directors in respect of the 2020 financial year is described below in Table No. 3 in section 5.4.2.7 – Overview of remuneration of corporate officers.

DIRECTORS REPRESENTING EMPLOYEES AND DIRECTORS REPRESENTING EMPLOYEE SHAREHOLDERS

The salaries paid to directors representing employee shareholders (who have an employment contract with Bouygues or one of its subsidiaries), and to directors representing employees, are not disclosed.

b. Remuneration paid by entities included in the scope of consolidation

Remuneration paid by entities included in the scope of consolidation to Executive Officers is described above.

Remuneration of that nature paid to directors representing employees or directors representing employee shareholders is not disclosed.

The other directors who receive remuneration from an entity included in the scope of consolidation are listed below:

Charlotte Bouygues	Director	Remuneration paid by a subsidiary	€27,287
Edward Bouygues	Director	Remuneration paid by a subsidiary	€12,500
Colette Lewiner	Director	Remuneration paid by a subsidiary	€32,000

c. Relative weight of components of remuneration

The directors did not receive any variable or exceptional remuneration in respect of the 2020 financial year.

B. Compliance with remuneration policy

The components of directors' remuneration comply with the arrangements determined by the Board of Directors on the recommendation of the Selection and Remuneration Committee, which together constitute the company's remuneration policy for directors as approved by the Annual General Meeting on 23 April 2020 (sixth resolution, approved with 99.88% of the votes cast).

5.4.2.6 Components of remuneration paid or awarded in respect of 2020 and submitted to a vote at the Annual General Meeting of 22 April 2021 pursuant to Article L. 22-10-34 III of the Commercial Code

Components of the remuneration of Martin Bouygues, Chairman and CEO until 17 February 2021, paid or awarded in respect of the 2020 financial year and submitted to the Annual General Meeting of 22 April 2021 for approval (Resolution 8)

	Amount/Accounting value €	Comments
Fixed remuneration	920,000	Martin Bouygues' fixed remuneration has not changed since 2003.
Annual variable remuneration	874,000	Martin Bouygues' annual variable remuneration was reduced to 95% of his fixed remuneration in accordance with the decision taken by the Board of Directors on 28 July 2020, in light of the Covid-19 pandemic. That update to the 2020 remuneration policy was approved by the shareholders at the General Meeting of 4 September 2020. The criteria, and the attainment levels achieved, are described in section 5.4.2.1 above. This variable remuneration will be paid subject to approval at the Annual General Meeting of 22 April 2021.
		Amount of 2019 annual variable remuneration paid during 2020: €1,472,000. This remuneration was approved at the Annual General Meeting of 23 April 2020 (eighth resolution).
Multi-year variable remuneration	N/A	No multi-year variable remuneration was awarded in 2020.
Deferred variable remuneration	N/A	No deferred variable remuneration.
Exceptional remuneration	N/A	No exceptional remuneration.
Stock options, performance shares or any other long-term remuneration awarded in respect of the year	N/A	No stock options, performance shares or other long-term remuneration awarded in respect of the year.
Remuneration for serving as a director	79,713 ▪ o/w paid by Bouygues: 70,000 ▪ o/w paid by subsidiaries: 9,713	
Valuation of benefits in kind	31,050	Company car. Assignment, for personal needs, of a part-time personal assistant and chauffeur/security guard.

For information: components of remuneration approved by the Annual General Meeting under the regulated agreements procedure	Amount/Accounting value €	Comments
Severance benefit	N/A	No severance benefit.
Non-competition indemnity	N/A	No non-competition indemnity.
Social protection	4,566.12	The company paid a contribution of €4,566.12 in respect of this scheme.
Supplementary pension scheme		Martin Bouygues, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a supplementary pension scheme giving entitlement to an annual pension equal to 0.92% of the reference salary (average of the three best years) per year in the scheme, capped at eight times the social security ceiling (giving a cap of €329,088 for 2020). Because he has reached this cap, Martin Bouygues cannot acquire any further supplementary pension rights. Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. If he had retired in 2020, taking into account his length of service, Martin Bouygues would have been entitled to an annual pension of eight times the social security ceiling. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

Components of the remuneration of Olivier Bouygues, Deputy CEO until 31 August 2020, paid or awarded in respect of the 2020 financial year and submitted to the Annual General Meeting of 22 April 2021 for approval (Resolution 9)

	Amount/Accounting value €	Comments
Fixed remuneration	333,333	Oliver Bouygues resigned from office as a Deputy CEO with effect from 31 August 2020. His fixed remuneration for the 2020 financial year was apportioned on a pro rata temporis basis.
Annual variable remuneration	316,667	Olivier Bouygues' annual variable remuneration was reduced to 95% of his fixed remuneration in accordance with the decision taken by the Board of Directors on 28 July 2020, in light of the Covid-19 pandemic. That update to the 2020 remuneration policy was approved by the shareholders at the General Meeting of 4 September 2020. His annual variable remuneration was apportioned on a pro rata temporis basis. The criteria, and the attainment levels achieved, are described in section 5.4.2.1 above. This variable remuneration will be paid subject to approval at the Annual General Meeting of 22 April 2021.
		Amount of 2019 annual variable remuneration paid during 2020: €800,000. This remuneration was approved at the Annual General Meeting of 23 April 2020 (ninth resolution).
Multi-year variable remuneration	N/A	No multi-year variable remuneration was awarded in 2020.
Deferred variable remuneration	N/A	No deferred variable remuneration.
Exceptional remuneration	N/A	No exceptional remuneration.
Stock options, performance shares or any other long-term remuneration awarded in respect of the year	N/A	No stock options, performance shares or other long-term remuneration awarded in respect of the year.
Remuneration for serving as a director	102,000 ▪ o/w paid by Bouygues: 48,000 ▪ o/w paid by subsidiaries: 54,000	
Valuation of benefits in kind	7,171	Company car. Assignment, for personal needs, of a part-time personal assistant and chauffeur/security guard.

For information: components of remuneration approved by the Annual General Meeting under the regulated agreements procedure	Amount/Accounting value €	Comments
Severance benefit	N/A	No severance benefit.
Non-competition indemnity	N/A	No non-competition indemnity.
Social protection	3,044.08	The company paid a contribution of €3,044.08 in respect of this scheme.
Supplementary pension scheme		Olivier Bouygues, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a supplementary pension scheme giving entitlement to an annual pension equal to 0.92% of the reference salary (average of the three best years) per year in the scheme, capped at eight times the social security ceiling (giving a cap of €329,088 for 2020). Because he has reached this cap, Olivier Bouygues cannot acquire any further supplementary pension rights. Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. Having taken his pension rights in 2020, Olivier Bouygues will be entitled to an annual pension equivalent to eight times the social security ceiling. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

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Components of the remuneration of Olivier Roussat, Deputy CEO until 17 February 2021, paid or awarded in respect of the 2020 financial year and submitted to the Annual General Meeting of 22 April 2021 for approval (Resolution 11)

	Amount/accounting value €	**Comments**
Fixed remuneration	1,250,000	Olivier Roussat's fixed remuneration is €1,250,000.
Annual variable remuneration	1,187,500	Olivier Roussat's annual variable remuneration was reduced to 95% of his fixed remuneration in accordance with the decision taken by the Board of Directors on 28 July 2020, in light of the Covid-19 pandemic. That update to the 2020 remuneration policy was approved by the shareholders at the General Meeting of 4 September 2020. The criteria, and the attainment levels achieved, are described in section 5.4.2.1 above. This variable remuneration will be paid subject to approval at the Annual General Meeting of 22 April 2021.
		Amount of 2019 annual variable remuneration paid during 2020: €1,472,000. This remuneration was approved at the Annual General Meeting of 23 April 2020 (eleventh resolution).
Multi-year variable remuneration	N/A	No multi-year variable remuneration was awarded in 2020.
Deferred variable remuneration	N/A	No deferred variable remuneration.
Exceptional remuneration	N/A	No exceptional remuneration.
Stock options, performance shares or any other long-term remuneration awarded in respect of the year	418,800	The contingent award of shares in 2020 is consistent with the remuneration policy for 2019 approved by the Annual General Meeting on 23 April 2020. The Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, awarded Olivier Roussat: • A maximum of 40,000 shares subject to performance conditions measured over three years, as described in section 5.4.2.3 above. In 2019, Bouygues ended the multi-year variable remuneration package to which Olivier Roussat had been entitled. Consequently, it was proposed that in line with the 2019 remuneration policy he should awarded a maximum of 26,666 shares subject to performance conditions as described in section 5.4.2.3 above, measured over the 2019 and 2020 financial years. After an assessment of the performance criteria, no shares were awarded to Olivier Roussat for the 2020 financial year.
Remuneration for serving as a director	Paid by subsidiaries: 56,400	
Paid in respect of his office as Chairman of the Board of Directors of Colas SA	150,000	
Valuation of benefits in kind	20,457	Company car and unemployment insurance.

For information: components of remuneration approved by the Annual General Meeting under the regulated agreements procedure	**Amount/accounting value €**	**Comments**
Severance benefit		No severance benefit.
Non-competition indemnity		No non-competition indemnity.
Social protection	4,566.12	The company paid a contribution of €4,566.12 in respect of this scheme.
Supplementary pension scheme		Olivier Roussat, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a supplementary pension scheme giving entitlement to an annual pension equal to 0.92% of the reference salary (average of the three best years) per year in the scheme, capped at eight times the social security ceiling (giving a cap of €329,088 for 2020). Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. If he had retired in 2020, taking account of his length of service, Olivier Roussat would have been entitled to an annual pension of €272,031, plus a further €22,425 acquired pursuant to Article L. 137-11-2 of the Social Security Code. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

Components of the remuneration of Philippe Marien, Deputy CEO until 19 February 2020, paid or awarded in respect of the 2020 financial year and submitted to the Annual General Meeting of 22 April 2021 for approval (Resolution 10)

	Amount/Accounting value €	Comments
Fixed remuneration	153,333	Philippe Marien resigned from office as a Deputy CEO with effect from 19 February 2020. As stated in the 2019 Universal Registration Document, Philippe Marien's fixed remuneration for the 2020 financial year was apportioned on a pro rata temporis basis.
Annual variable remuneration	N/A	Philippe Marien waived any annual variable remuneration for the 2020 financial year.
Multi-year variable remuneration	N/A	No multi-year variable remuneration.
Deferred variable remuneration	N/A	No deferred variable remuneration.
Exceptional remuneration	N/A	No exceptional remuneration.
Stock options, performance shares or any other long-term remuneration awarded in respect of the year	N/A	Philippe Marien did not receive any contingent award of shares in respect of the 2020 financial year.
Remuneration for serving as a director	Paid by subsidiaries: 27,094	
Valuation of benefits in kind	787.74	Company car.

For information: components of remuneration approved by the Annual General Meeting under the regulated agreements procedure	**Amount/accounting value €**	**Comments**
Severance benefit		No severance benefit.
Non-competition indemnity		No non-competition indemnity.
Social protection	761.02	The company paid a contribution of €761.02 in respect of this scheme.
Supplementary pension scheme		Philippe Marien, on the same basis and subject to the same conditions as the other members of the Group Management Committee, belongs to a supplementary pension scheme giving entitlement to an annual pension equal to 0.92% of the reference salary (average of the three best years) per year in the scheme, capped at eight times the social security ceiling (giving a cap of €329,088 for 2020). Entitlement to this supplementary pension is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being a member of the Group Management Committee at the date of retirement. Having taken his pension rights in 2020, Philippe Marien will be entitled, taking into account his length of service, to an annual pension of €280,523. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

5.4.2.7 Overview of remuneration of corporate officers

Summary table: remuneration, stock options and shares awarded to each Executive Officer (Afep-Medef Code Table No. 1)

	Martin Bouygues (Chairman and CEO)		Olivier Bouygues (Deputy CEO)		Olivier Roussat (Deputy CEO)		Philippe Marien (Deputy CEO)	
€	in 2020	in 2019	in 2020	in 2019	in 2020	in 2019	in 2020	in 2019
Remuneration awarded in respect of the year (see Table No. 2 for details)	1,904,763	2,517,080	759,171	1,399,900	2,514,357	2,460,820	181,040	2,473,399
Valuation of options awarded during the year [a]								
Valuation of performance shares awarded during the year [b]					418,800	1,319,559		1,319,559
Total	**1,904,763**	**2,517,080**	**759,171**	**1,399,900**	**2,933,157**	**3,780,379**	**181,040**	**3,792,958**

(a) No options were awarded to the Executive Officers in 2019 or 2020.
(b) In accordance with the 2020 remuneration policy, Olivier Roussat received a contingent award of shares subject to performance conditions; see section 5.4.2.3 for details of that award.

Summary table: remuneration awarded to each Executive Officer (Afep-Medef Code Table No. 2)

		2020 €		2019 €	
Office held and length of service with the Group	**Remuneration**	**Awarded**	**Paid**	**Awarded**	**Paid**
Martin Bouygues	Fixed	920,000	920,000	920,000	920,000
Chairman and CEO (46 years)	Annual variable	874,000	1,472,000	1,472,000	1,472,000
	Multi-year variable [a]				147,200
	Remuneration for serving as a director [b]	79,713	79,713	93,900	93,900
	Benefits in kind	31,050	31,050	31,180	31,180
	Total	**1,904,763**	**2,502,763**	**2,517,080**	**2,664,280**
Olivier Bouygues	Fixed	333,333	333,333	500,000	500,000
Deputy CEO (46 years)	Annual variable	316,667	800,000	800,000	800,000
	Multi-year variable [a]				80,000
	Remuneration for serving as a director [b]	102,000	102,000	89,144	89,144
	Benefits in kind	7,171	7,171	10,756	10,756
	Total	**759,171**	**1,242,504**	**1,399,900**	**1,479,900**
Olivier Roussat	Fixed	1,250,000	1,250,000	920,000	920,000
Deputy CEO (25 years)	Annual variable	1,187,500	1,472,000	1,472,000	1,472,000
	Multi-year variable [a]	418,800	128,200	1,319,559	147,200
	Remuneration for serving as a director [b]	56,400	56,400	48,363	48,363
	Benefits in kind	20,457	20,457	20,457	20,457
	Total	**2,933,157**	**2,927,057**	**3,780,379**	**2,608,020**
Philippe Marien	Fixed	153,333	153,333	920,000	920,000
Deputy CEO (39 years)	Annual variable		1,472,000	1,472,000	1,472,000
	Multi-year variable [a]			1,319,559	147,200
	Remuneration for serving as a director [b]	27,094	27,094	77,739	77,739
	Benefits in kind	788	788	3,660	3,660
	Total	**181,215**	**1,653,215**	**3,792,958**	**2,620,599**

(a) In accordance with the 2019 remuneration policy, multi-year variable remuneration was discontinued with effect from 2019 for all four Executive Officers. For Olivier Roussat and Philippe Marien, this was replaced by long-term remuneration in the form of a contingent award of shares subject to performance conditions.
(b) Remuneration awarded for serving on the Board of Directors of Bouygues SA and/or its subsidiaries (Colas, TF1 and Bouygues Telecom).

Table showing remuneration for serving as a director (formerly known as directors' fees) in respect of the 2020 financial year

€		Source (Notes 1 & 2)	2020	2019
M. Bouygues	Chairman and CEO	Paid by Bouygues	70,000	70,000
		Paid by subsidiaries	9,713	23,900
O. Bouygues	Deputy CEO	Paid by Bouygues	48,000	40,000
		Paid by subsidiaries	54,000	49,144
SUB-TOTAL: EXECUTIVE OFFICERS		Paid by Bouygues	118,000	110,000
		Paid by subsidiaries	63,713	73,044
		Sub-total	181,713	183,044
R. Deflesselle	Director	Paid by Bouygues	48,000	24,349
			15,000	7,305
C. Bouygues	Director	Paid by Bouygues	26,608	34,400
		Paid by subsidiaries	27,287	16,708
E. Bouygues	Director	Paid by Bouygues	21,392	
		Paid by subsidiaries	12,500	
C. Bouygues	Director	Paid by Bouygues	21,392	
W. Bouygues	Director	Paid by Bouygues	26,608	40,000
F. Castagné	Director	Paid by Bouygues	26,331	40,000
			6,129	12,000
C. Gaymard	Director	Paid by Bouygues	48,000	28,800
			19,000	16,000
A.-M. Idrac	Director	Paid by Bouygues	48,000	34,400
			49,000	25,760
C. Lewiner	Director	Paid by Bouygues	48,000	40,000
			30,000	12,000
		Paid by subsidiaries	32,000	32,000
H. le Pas de Sécheval	Director	Paid by Bouygues	17,950	34,400
			18,046	28,000
B. Maes	Director	Paid by Bouygues	30,050	
			34,362	
B. Besombes	Director	Paid by Bouygues	21,669	
B. Allain	Director	Paid by Bouygues	21,669	
			8,538	
A. de Rothschild	Director	Paid by Bouygues	48,000	40,000
R.-M. Van Lerberghe	Director	Paid by Bouygues	48,000	40,000
			15,000	12,000
M. Vilain	Director	Paid by Bouygues	48,000	40,000
			19,000	16,000
SUB-TOTAL – OTHER DIRECTORS		Paid by Bouygues	763,743	525,414
		Paid by subsidiaries	71,787	48,708
		Sub-total	835,530	574,122
GRAND TOTAL OF REMUNERATION AWARDED TO EXECUTIVE OFFICERS AND DIRECTORS		**Paid by Bouygues**	**881,743**	**635,414**
		Paid by subsidiaries	**135,500**	**121,752**
		Total	**1,017,243**	**757,166**

N/A: not applicable.

Note 1: Remuneration paid by Bouygues = remuneration paid for presence on the Bouygues Board of Directors. The first line shows remuneration paid in respect of Board meetings. The second line shows remuneration paid in respect of membership of one or more committees.

Note 2: Remuneration paid by subsidiaries = remuneration paid by Group companies, within the meaning of Article L. 233-16 of the Commercial Code (Colas, TF1 and Bouygues Telecom).

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Table showing shares awarded during the year under the long-term remuneration plan to each Executive Officer (Afep-Medef Code Table No. 6)

	Plan No. and date	Number of shares awarded during the year	Valuation of shares based on method used in consolidated financial statements	Vesting date	Date available for sale	Performance conditions
Oliver Roussat	2020	40,000	€418,800	N/A	2023 AGM	See section 5.4.2.3

N/A: not applicable.

Shares that became available during the year for each Executive Officer (Afep-Medef Code Table No. 7)

Not currently applicable.

Past awards of shares under the long-term remuneration plan (Afep-Medef Code Table No. 8)

Information about the shares				
Date of General Meeting	N/A	N/A	N/A	N/A
Date of Board meeting	20 February 2019	20 February 2019	20 February 2019	19 February 2020
Total number of shares awarded, of which:	26,666	53,332	80,000	40,000
• Olivier Roussat	13,333	26,666	40,000	40,000
• Philippe Marien	13,333	26,666	40,000	N/A
Vesting date of shares	After the 2020 AGM	After the 2021 AGM	After the 2022 AGM	After the 2023 AGM
End of lock-up period	N/A	N/A	N/A	N/A
Performance conditions	See sections 5.4.2.3 and 5.4.2.4 of the 2019 URD	See sections 5.4.2.3 and 5.4.2.4 of the 2019 URD	See sections 5.4.2.3 and 5.4.2.4 of the 2019 URD	See section 5.4.2.3
Number of shares vested as of 17/02/2021	10,000 [a]	0 [b]	N/A	N/A
Cumulative number of cancelled or forfeited shares	16,666	53,332	N/A	N/A
Shares outstanding at end of period	N/A	N/A	N/A	N/A

N/A: not applicable.

(a) After an assessment of the performance criteria, 5,000 shares were awarded by the Board of Directors to Olivier Roussat and Philippe Marien in respect of the 2019 financial year. Payment of that long-term remuneration (half of which will be in the form of a cash payment) was approved by the Annual General Meeting of 23 April 2020.

(b) After an assessment of the performance criteria, no shares were awarded by the Board of Directors to Olivier Roussat for the 2020 financial year. That decision is subject to approval at the Annual General Meeting of 22 April 2021.

Summary table: commitments in favour of Executive Officers (Afep-Medef Code Table No. 11)

Executive Officer	Employment contract	Supplementary pension scheme	Indemnities or other benefits due or liable to become due on cessation or change of office	Non-competition indemnities
Martin Bouygues Office: Chairman and CEO	No	Yes	No	No
Olivier Bouygues Office: Deputy CEO	No	Yes	No	No
Olivier Roussat Office: Deputy CEO	Suspended with effect from 1 September 2016	Yes	No	No
Philippe Marien Office: Deputy CEO	Suspended with effect from 1 September 2016	Yes	No	No

5.5 OTHER INFORMATION

5.5.1 Factors likely to have an impact on any public tender offer price

Pursuant to Article L. 225-37-5 of the Commercial Code, the factors likely to have an impact on the offer price in any potential tender offer or public exchange offer relating to Bouygues' shares are set out below:

- **capital structure:** information relating to Bouygues' capital structure and voting rights is set out below (sections 6.2 and 6.3 of this Universal Registration Document). The main shareholders of Bouygues are SCDM and company employees. In view of their respective weight, the votes of these shareholders could have an impact on the outcome of any public tender offer for the capital of Bouygues;
- **restrictions in the articles of association on the exercise of voting rights and the transfer of shares:** Article 8.3 of the articles of association, summarised below in section 6.1.2.5, makes provision to suspend the voting rights of shareholders who fail to declare that they have crossed a threshold of at least 1% (or a multiple of 1%) of the capital or voting rights. This restriction could have an impact in the event of a public tender offer;
- **direct or indirect holdings in the share capital** of which Bouygues is aware, pursuant to Articles L. 233-7 and L. 233-12 of the Commercial Code: the relevant information is set out below in section 6.3.1;
- **a list of owners of any security with special control right, with a description of those rights:** in accordance with law, double voting rights are granted subject to the conditions stipulated by law to shares that can be shown to have been registered for at least two years in the name of the same shareholder;
- **control mechanisms stipulated within employee share ownership plans:** the regulations of the various employee share ownership funds created by Bouygues stipulate that voting rights are exercised by the Supervisory Boards of those funds and not directly by employees. Those employee share ownership funds held 27.4% of the voting rights at 31 December 2020;
- **agreements between shareholders** of which Bouygues is aware and which could result in restrictions on the transfer of shares and in the exercise of voting rights: not applicable;
- **rules applicable to the appointment and replacement of members of the Board of Directors:** see above in section 5.3.1;
- **rules applicable to changes in the company's articles of association:** Article L. 225-96 of the Commercial Code specifies that only an extraordinary general meeting has the power to change the articles of association. Any clause to the contrary is deemed null and void;
- **powers of the Board of Directors with respect to issuance of shares:** refer to the table summarising financial authorisations in section 5.3.8. It is specified that the Combined Annual General Meeting of 23 April 2020 (Resolution 16) delegated powers to the Board of Directors to issue equity warrants during a public tender offer for the company's shares. The Combined Annual General Meeting convened for 22 April 2021 will be asked to renew all of the financial authorisations conferred on the Board of Directors (see section 8.2).

  In addition, the Board of Directors is authorised by law, during the period of a public tender offer, to take any measures that are within its prerogative and in the interest of the company to frustrate such an offer;
- **powers of the Board of Directors with respect to share buybacks:** the Combined Annual General Meeting of 23 April 2020 (Resolution 14) authorised the Board of Directors to trade in the company's shares, including during a public tender offer for the company's shares, representing up to 5% of the company's share capital at the date on which the authorisation is used. The Combined Annual General Meeting convened for 22 April 2021 will be asked to replace this authorisation by a further authorisation with the same purpose (see section 6.2.4.2);
- **agreements entered into by Bouygues, which will be modified or expire in the event of a change of control of Bouygues:** the 20-year sterling bonds maturing in 2026, the ten-year bonds maturing in 2022, the ten-year bonds maturing in 2023, and the ten-and-a-half year bonds maturing in 2027 all include a change of control clause providing for the early redemption of the bonds in the event of a change of control of Bouygues, accompanied by a rating downgrade.

  In addition:
  - a change in the capital structure of Bouygues could potentially jeopardise TF1's licence to operate a national terrestrial television broadcasting service. Article 41-3-2 of the Act of 30 September 1986 governing audiovisual media specifies that any natural or legal person who controls, within the meaning of Article L. 233-3 of the Commercial Code, any company that holds such a licence, or that has placed a company holding such a licence under its authority or dependency, is deemed to be the holder of that licence. Article 42-3 adds that the licence may be withdrawn without notice if there is any substantive change in the circumstances on the basis of which the licence was granted, including changes in capital structure,
  - all the decisions and orders licensing Bouygues Telecom to establish and operate its wireless network and provide services to the public (the decision of 5 November 2009 relating to the 900 and 1800 MHz bands, the order of 3 December 2002 relating to the 2.1 GHz band, and the decisions of 11 October 2011 relating to the 2.6 GHz band, of 17 January 2012 relating to the 800 MHz band, of 8 December 2015 relating to the 700 MHz band and of 12 November 2020 relating to the 3.5 GHz band) stipulate that Arcep (the French telecommunications regulator) must be informed immediately of any change to any of the information contained in the licence application, so that the regulator can check whether that change is compatible with the terms of the licence. The information contained in the licence application includes the share ownership structure of the company (or companies) that directly or indirectly controls (or control) the licence-holder. In addition, any change in the capital or voting rights of Bouygues that results in a single individual or entity controlling the combined bandwidth of two operators could lead Arcep to re-examine the validity of the licences awarded to Bouygues Telecom;
- **agreements entitling members of the Board of Directors or employees to compensation if they resign or leave the company without real and serious cause, or if their employment comes to an end as a result of a public tender offer:** not applicable.

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5.5.2 Rules on shareholder participation in general meetings of shareholders

As required by Article L. 225-37-4 of the Commercial Code, the rules on shareholder participation in general meetings as contained in Article 19 of the Bouygues articles of association are reproduced below.

Article 19: Holding general meetings of shareholders

19.1 Ordinary and extraordinary general meetings, and any special meetings, shall be convened and held and shall deliberate on the conditions stipulated by law.

Meetings shall be held in Paris or at Challenger, 1 avenue Eugène Freyssinet, 78280 Guyancourt (France).

Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a director specially empowered for the purpose by the Board of Directors. Failing that, the meeting shall elect its own Chairman.

19.2 Any shareholder may attend meetings on the conditions stipulated by law.

19.3 Any shareholder satisfying the conditions required for attendance at meetings may alternatively choose to be represented on the conditions stipulated by law.

19.4 Any shareholder may alternatively vote by correspondence on the conditions stipulated by law. Postal vote forms shall be accepted only if actually received by the company at its registered office or at an address determined in the Notice of Meeting and the Convening Notice published in the *Balo (Bulletin des Annonces Légales Obligatoires)* no later than the third day preceding the meeting.

If the Board of Directors so decides, shareholders may take part in the meeting by videoconference or any other means of telecommunication that enables them to be identified on the conditions stipulated by the applicable regulations. In such cases the company will accept electronic remote vote forms that must be received no later than 3.00pm (CET) on the day preceding the general meeting.

19.5 Owners of company shares who are not resident on French territory may be shareholders of record and may be represented at general meetings by any intermediary registered on their behalf and holding a general authorisation to manage securities, provided that such intermediary declared that it was acting as an intermediary holding securities for third parties when it opened its account either with the company or with the account-holding financial intermediary, in accordance with the applicable law and regulations.

The company shall be entitled to ask intermediaries that are registered on behalf of shareholders not resident on French territory and that hold a general authorisation to manage securities to provide a list of the shareholders they represent and whose voting rights may be exercised at the meeting.

Votes or proxies shall not be counted if they are cast by an intermediary that has failed to declare itself as such in accordance with the applicable law and regulations or with the present articles of association or that has not disclosed the identity of the owners of the securities.

5.5.3 Agreements entered into by senior executives or shareholders of Bouygues with subsidiaries or sub-subsidiaries

Under Article L. 225-37-4 of the Commercial Code, the Report on corporate governance must disclose any agreements (other than those covering day-to-day operations carried out under normal business conditions) entered into directly or through a third party between:

- a corporate officer of Bouygues or a shareholder with more than 10% of the voting rights of Bouygues;
- a company of which Bouygues directly or indirectly holds more than 50% of the share capital.

The company is not aware of any such agreements.

However, in the interests of full disclosure, shareholders are hereby informed that in April 2012, Actifly (in which SCDM holds an indirect interest of 85%) entered into an agreement with Airby (a subsidiary in which Bouygues holds an indirect interest of 85%) setting out the conditions under which Actifly can use an aircraft owned or operated by Airby on the same financial terms as Bouygues and its subsidiaries. This agreement is renewable automatically from year to year.

Amounts (before taxes) invoiced by Airby to Actifly under this agreement during the last three financial years:

- 2020: €251,417
- 2019: €502,250
- 2018: €592,667

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INFORMATION ON THE COMPANY

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6.1 LEGAL INFORMATION

6.1.1 General information

Company name	Bouygues
Registered office social	32 avenue Hoche, 75008 Paris, France
Telephone	+33 (0)1 44 20 10 00
Registration No.	572 015 246 Paris
APE code	7010Z
Legal Entity Identifier (LEI)	969500MOCLNQFNZN0D63
Form	*Société Anonyme* (public limited company)
Date of incorporation	15 October 1956
Expiration date	14 October 2089
Financial year	1 January to 31 December
Governing law	Company incorporated under French law
Website	www.bouygues.com NB: The information provided on the website is not part of the Universal Registration Document, except where such information is incorporated in the prospectus by reference.

6.1.2 Articles of association

6.1.2.1 Purpose (Article 2 of the articles of association)

The purpose of the company is, in all countries:

- to acquire, directly or indirectly, interests or holdings in French or foreign companies or groupings, whatever their purpose or business, and to manage and dispose of such interests or holdings;
- to form, acquire, operate and dispose of French or foreign undertakings, in any field of business, whether industrial, commercial or financial, including in particular in the fields of construction (building, civil works, roads, property) and services (public utilities management, media, telecommunications); and
- more generally, to carry out industrial, commercial, financial, mining and agricultural operations or transactions and operations or transactions involving movable or real property relating directly or indirectly to the above purpose or to all similar or related purposes that may enable or facilitate the attainment or development thereof.

6.1.2.2 Appropriation of earnings (Article 24 of the articles of association)

At least 5% of the net profit for the financial year, minus any prior-year losses, is appropriated to constitute the legal reserve. Such appropriation ceases to be mandatory once the legal reserve reaches an amount equal to one-tenth of the share capital.

After appropriations to other reserves and retained earnings as decided by the general meeting of shareholders, the balance of distributable earnings is divided between the shareholders.

6.1.2.3 Financial and voting rights attached to shares (Articles 10 and 12 of the articles of association)

Each share is entitled to the pecuniary and non-pecuniary rights stipulated by law and specified in the articles of association. In particular, Article 10 of the articles of association states that each share entitles the holder to a share in the corporate assets and in the distribution of profits proportionate to the interest in the capital that it represents. Article 12 of the articles of association states that unless otherwise stipulated by law, and except in the case of double voting rights as stipulated below, each shareholder has as many voting rights and may cast as many votes in general meetings as the number of shares he or she holds.

6.1.2.4 Double voting rights (Article 12 of the articles of association)

Double voting rights have existed at Bouygues since 1 January 1972, based on a measure introduced into the articles of association by a general meeting on 31 December 1969. Such rights are now provided for by Articles L. 225-123 and L. 22-10-46 of the Commercial Code.

Double voting rights are granted to all fully paid-up shares proved to have been registered in the name of the same holder for at least two years.

If the share capital is increased by incorporation of reserves, earnings or share premium, double voting rights are granted upon issue to registered shares allotted free of charge in respect of existing shares that already carry double voting rights.

Double voting rights attached to registered shares will be lost if those shares are converted into bearer shares or if title to them is transferred, unless they are transferred from one registered shareholder to another through inheritance or a gift between family members.

Double voting rights may only be abolished by a decision taken at an extraordinary general meeting and ratified by a special meeting of holders of those rights (Article L. 225-99 of the Commercial Code).

6.1.2.5 Disclosure thresholds (Article 8.2 of the articles of association)

Persons or entities that obtain, directly or indirectly, at least 1% of the share capital or voting rights are required to inform the company that they have crossed that threshold, indicating the total number of (i) shares, (ii) voting rights and (iii) securities giving access to the company's capital that they own, with the caveat that the equivalences and calculation methods specified by Article L. 233-9 of the Commercial Code must be applied. Such disclosure must be made by registered letter with acknowledgement of receipt sent to the registered office within fifteen days following completion of the transaction (whether on or off exchange) regardless of when or whether the securities have been delivered.

Such disclosure must be repeated whenever a shareholder passes above or below the 1% threshold or any threshold that is a multiple of 1%.

If disclosure is not made on the terms set forth above, the shares exceeding the disclosure threshold are stripped of voting rights on the conditions stipulated by law if a request to that effect is made at a general meeting by one or more shareholders holding at least 5% of the company's share capital or voting rights.

6.1.3 Shareholder agreements entered into by Bouygues

6.1.3.1 Bouygues Telecom

The Bouygues Telecom shareholder agreement binds Bouygues SA, SFPG (a subsidiary of Bouygues SA) and JCDecaux Holding.

The material provisions of this shareholder agreement are the following: a reciprocal pre-emptive right; prohibition, without the prior agreement of the other shareholders, on disposals of securities to a telecoms operator providing services to the public; and an undertaking by each party not to acquire a stake in the capital of any rival telecoms operator.

6.1.3.2 Alstom

On 29 September 2020, Bouygues SA announced that it had divested a 4.8% equity interest in Alstom through a placement by way of an accelerated book-building with institutional investors. That transaction followed a previous sale of Alstom shares by Bouygues in 2019.

On 17 November 2020, Bouygues announced that it had sold sufficient of its Alstom pre-emptive subscription rights ("PSRs") to enable it to fund the exercise of its remaining Alstom PSRs, and thereby to participate in Alstom's rights issue in a cash-neutral "opération blanche". Bouygues committed to retaining its Alstom shares until 7 March 2021.

Following the rights issues reserved for affiliates of CDPQ and Bombardier Inc. completed on 29 January 2021, and the sale by Bouygues of a further 3.23% equity interest in Alstom settled on 12 March 2021, Bouygues now holds an equity interest of 3.12% in Alstom.

6.1.4 Payment terms

Pursuant to the Order of 20 March 2017 issued in application of Article D. 441-4 of the Commercial Code, Bouygues is disclosing below information about supplier payment terms (trade payables) and customer payment terms (trade receivables).

6.1.4.1 Analysis of trade payables (€)

	Not past due	0 days	Article D. 441 I.-1: Invoices received and due for payment that remain unpaid at the end of the reporting period				
			1 to 30 days	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
A. Ageing profile of payment arrears							
Cumulative number of invoices involved	114		Not applicable				
Cumulative amount of invoices involved (incl. VAT) (€)	4,454,204		41,736				41,736
Percentage of total amount of invoices (incl. VAT) received in the year	6.80%		0.06%				0.06%
B. Invoices excluded from (A) because they are disputed or not recognised in the accounts							
Number of invoices excluded	**4**						
Total amount of invoices excluded (€)	**72,844**						
C. Benchmark payment terms used (contractual or statutory – Article L. 441-6 or Article L. 443-1 of the Commercial Code)							
Payment terms used to determine arrears	X Contractual term X Statutory terms: 30 days from invoice date						

6.1.4.2 Analysis of trade receivables (€)

	Not past due	0 days	Article D. 441 I.-2: Invoices issued and due for payment that remain unpaid at the end of the reporting period				
			1 to 30 days	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
A. Ageing profile of payment arrears							
Cumulative number of invoices involved	60	14	Not applicable				
Cumulative amount of invoices involved (incl. VAT) (€)	16,977,349	568,284	8,548	122,700			131,248
Percentage of total amount of invoices (incl. VAT) issued in the year	18.36%	0.61%	0.01%	0.13%			0.14%
B. Invoices excluded from (A) because they are disputed or not recognised in the accounts							
Number of invoices excluded							
Total amount of invoices excluded (€)							
C. Benchmark payment terms used (contractual or statutory – Article L. 441-6 or Article L. 443-1 of the Commercial Code)							
Payment terms used to determine arrears	X Contractual term X Statutory terms: 30 days from invoice date						

6.1.5 Publicly available documents

During the period of validity of this Universal Registration Document, the following documents may be viewed at the registered office of Bouygues and/or online at the bouygues.com website, under Group and Finance:

- the most recently updated version of the articles of association; and
- all reports, letters and other documents, evaluations and attestations prepared by the statutory auditors or any other expert at the company's request, some of which are included or referred to in the Universal Registration Document.

6.2 SHARE CAPITAL

6.2.1 General information

6.2.1.1 Amount of share capital

Share capital at 31 December 2019	€379,828,120 composed of 379,828,120 shares with a par value of €1 each
Number of voting rights at 31 December 2019 [a]	509,048,266
Issue of new shares from 1 January to 31 December 2020	931,722 new shares issued on exercise of stock options
Share capital at 31 December 2020	380,759,842
Number of voting rights at 31 December2020 [a]	514,767,427

(a) Including shares stripped of voting rights, in accordance with the calculation methods set out in Article 223-11 of the AMF General Regulation.

6.2.1.2 Changes in the share capital over the last five years

All amounts in the following table are in euros.

		Amount of changes in share capital		
Dates	**Capital increases/reductions over the last 5 years**	**Nominal**	**Share premium and capitalisation of reserves**	**Amount of share capital**
1 January to 5 October 2016	Exercise of stock options for 1,983,474 shares	1,983,474	46,329,568	347,118,790
28 December 2016	Subscription of 7,400,463 shares by the Bouygues Confiance n°8 employee share ownership fund	7,400,463	142,599,522	354,519,253
6 October to 31 December 2016	Exercise of stock options for 389,294 shares	389,294	8,357,196	354,908,547
1 January to 13 October 2017	Exercise of stock options for 3,874,839 shares	3,874,839	110,203,389	358,783,386
27 December 2017	Subscription of 4,725,897 shares by the Bouygues Confiance n°9 employee share ownership fund	4,725,897	145,274,074	363,509,283
14 October to 31 December 2017	Exercise of stock options for 2,616,002 shares	2,616,002	78,491,195	366,125,285
1 January to 20 February 2018	Exercise of stock options for 137,090 shares	137,090	3,783,213	366,262,375
21 February 2018	Cancellation of 1,157,844 treasury shares	(1,157,844)	(45,486,475)	365,104,531
21 February to 5 October 2018	Exercise of stock options for 1,455,337 shares	1,455,337	39,851,359	366,559,868
27 December 2018	Subscription of 5,116,659 shares by the Bouygues Confiance n°10 employee share ownership fund	5,116,659	144,883,316	371,676,527
6 October to 31 December 2018	Exercise of stock options for 701,412 shares	701,412	20,617,983	372,377,939
1 January to 19 February 2019	Exercise of stock options for 3,000 shares	3,000	60,043	372,380,939
20 February 2019	Cancellation of 869,832 treasury shares	(869,832)	(31,061,527)	371,511,107
20 February to 8 October 2019	Exercise of stock options for 1,060,870 shares	1,060,870	24,248,771	372,571,977
20 December 2019	Subscription of 6,031,363 shares by the Bouygues Confiance n°11 employee share ownership fund	6,031,363	143,968,635	378,603,340
9 October to 31 December 2019	Exercise of stock options for 1,224,780 shares	1,224,780	30,269,442	379,828,120
1 January to 3 September 2020	Exercise of stock options for 594,713 shares	594,713	13,127,366	380,422,833
4 September to 31 December 2020	Exercise of stock options for 337,009 shares	337,009	8,041,915	380,759,842

6.2.2 Potential creation of new shares

At 31 December 2020, 4,570,043 share subscription options [a] were out of the lock-up period and had an exercise price lower than the last quoted market price of the year (i.e. €33.65 at 31 December 2020).

6.2.3 Share buybacks

6.2.3.1 Use in 2020 of authorisations granted by the Annual General Meeting

The Combined Annual General Meetings of 25 April 2019 and 23 April 2020 approved share buyback programmes authorising the Board of Directors, on the basis of Articles L. 225-209 et seq of the Commercial Code, to buy, on- or off-market, a number of shares representing up to 5% of the company's share capital as at the purchase date, (i) for the purposes set out in Commission Regulation (EC) No. 596/2014 and (ii) in connection with market practices authorised by the AMF.

The Combined Annual General Meetings of 25 April 2019 and 23 April 2020 authorised the Board of Directors to reduce the share capital by cancelling repurchased shares, up to a limit of 10% of the share capital in any 24-month period.

The table below, prepared in accordance with Article L. 225-211 of the Commercial Code, summarises the transactions carried out pursuant to these authorisations in 2020.

Transactions carried out by Bouygues in its own shares in 2020	
Number of treasury shares held by the company at 31 December 2019	33,000
Shares purchased in 2020	2,008,858
Shares cancelled in 2020	
Shares sold in 2020	2,005,358
Number of treasury shares held by the company at 31 December 2020	31,500
Value (purchase price) of treasury shares held by the company at 31 December 2020 (€)	1,037,705
Breakdown of transactions by purpose	
Purchase with a view to the allotment of shares free of charge	
Shares purchased in 2020	5,000
Cancellation of shares	
Shares cancelled in 2020	
Shares reallocated for other purposes	
Number of treasury shares held by the company at 31 December 2020 outside the liquidity contract	
Liquidity contract	
Shares purchased in 2020	2,003,858
Shares sold in 2020	2,005,358
Shares reallocated for other purposes	
Number of treasury shares held by the company as of 31 December 2020 under the liquidity contract	31,500

6.2.3.2 Description of the new share buyback programme submitted for approval by the Combined Annual General Meeting of 22 April 2021

Pursuant to Articles 241-2 and 241-3 of the AMF General Regulation, a description is provided below of the share buyback programme to be submitted for approval by the Combined Annual General Meeting of 22 April 2021. This programme is intended to replace the one authorised by the fourteenth resolution of the Combined Annual General Meeting of 23 April 2020.

Number of shares and proportion of share capital held by Bouygues – Open derivatives positions

At 31 December 2020, the company's capital was made up of 380,759,842 shares, including 31,500 held by Bouygues via a liquidity contract, representing 0.008% of the share capital.

The carrying amount of the 31,500 shares held under the liquidity contract was €1.04 million. Their nominal value was €31,500.

(a) Includes plans exercisable before the end of the standard lock-up period using funds locked up on behalf of employees in the company savings scheme.

Authorisation submitted for approval at the Annual General Meeting of 22 April 2021

The company is asking the Annual General Meeting convened for 22 April 2021 to authorise it to buy back its own shares up to a maximum of 5% of the share capital. This authorisation would cover a number of objectives, including those contained in Article 5 of Commission Regulation (EU) No. 596/2014 on market abuse ("MAR"), Article L. 22-10-62 of the Commercial Code, and market practice as currently accepted by the AMF. Those objectives are as follows:

- reduce the share capital by cancelling shares under the conditions laid down by law, subject to authorisation by the Extraordinary General Meeting;
- fulfil the obligations arising from debt securities, in particular securities that grant the right to the allotment of company shares via redemption, conversion, exchange, presentation of a warrant or otherwise;
- grant or sell shares to employees or corporate officers of the company or related companies, in particular as part of profit-sharing schemes, stock option plans, company savings schemes and Group savings schemes or through allotment of shares;
- improve market liquidity and the regularity of listings of the company's equity securities and avoid price discrepancies not supported by market trends, by implementing a liquidity contract managed by an investment service provider acting in compliance with a market practice accepted by the AMF;
- retain shares and, as the case may be, deliver them subsequently as a medium of payment or exchange in an acquisition, merger, spin-off or asset-for-share exchange, in accordance with applicable regulations; and
- implement any market practice accepted by the AMF and generally carry out any other transaction, in compliance with applicable regulations.

Objectives of the new share buyback programme

Subject to approval by the Annual General Meeting of the resolution relating to the company buying back its own shares, the Board of Directors decided at its meeting of 17 February 2021 to define the objectives of the new share buyback programme as follows:

- reduce the share capital by cancelling shares under the conditions laid down by law, subject to authorisation by the Extraordinary General Meeting;
- improve market liquidity and the regularity of listings of the company's equity securities and avoid price discrepancies not supported by market trends, by implementing a liquidity contract managed by an investment service provider acting in compliance with a market practice accepted by the AMF;
- grant or sell shares to employees or corporate officers of the company or related companies, as part of profit-sharing schemes, stock option plans, company savings schemes and Group savings schemes or through allotment of shares.

The Board reserved the right to extend the programme to include other objectives submitted for approval by the Annual General Meeting of 22 April 2021, in which case the company would issue a press release to inform the market.

Maximum proportion of share capital, maximum quantity and characteristics of shares that may be bought back under the new share buyback programme

Under this new share buyback programme, Bouygues may acquire shares representing no more than 5% of its share capital, with the caveat that where shares are bought back to improve liquidity the number of shares included for the purposes of calculating 5% of the share capital is the number of shares purchased less the number of shares resold during the authorisation period.

The company may purchase its own shares under the programme either on- or off-market. The purchase price may not exceed fifty-five euros (€55) per share, subject to any adjustments in connection with share capital transactions.

Consequently, the Board of Directors has set the maximum amount of funds that may be set aside for the new share buyback programme at €1,000,000,000 (one billion euros). In accordance with law, the total number of shares held at a given date may not exceed 10% of the share capital at that date.

Shares acquired may be reallocated or sold on the conditions laid down by the AMF in Position-Recommendation DOC-2017-04 entitled "Guide to trading by listed issuers in their own securities and to stabilisation measures".

Shares repurchased and retained by Bouygues will be stripped of voting and dividend rights. The shares may be acquired, sold, transferred or exchanged by any means whether on- or off-market subject to compliance with AMF rules, including via a Multilateral Trading Facility (MTF) or systematic internaliser or over-the-counter, including via block trades and via the use of derivative financial instruments, and at any time, including during the period of a public tender offer or public exchange offer for the company's shares. All or part of the programme may be carried out through block trades;

Term of the share buyback programme

Eighteen months with effect from the Combined Annual General Meeting of 22 April 2021, i.e. until 22 October 2022.

6.3 SHARE OWNERSHIP

6.3.1 Changes in share ownership over the last three years

	Situation at 31 December 2020 [a]			Situation at 31 December 2019 [a]			Situation at 31 December 2018		
	Number of shares	% of capital	% of voting rights [b]	Number of shares	% of capital	% of voting rights [b]	Number of shares	% of capital	% of voting rights [b]
SCDM [c]	85,355,243	22.4	29.5	80,555,243	21.2	29.2	80,555,243	21.6	29.1
Bouygues employees [d]	77,297,913	20.3	27.4	73,226,601	19.3	25.6	70,597,924	19.0	25.8
Other French shareholders	83,920,608	22.1	17.1	87,544,321	23.0	18	91,737,074	24.6	19.1
Foreign shareholders	134,154,578	35.2	26.0	138,468,955	36.5	27.2	129,174,698	34.7	25.9
Bouygues	31,500[e]	0.0	0.0	33,000[e]	0.0		313,000[e]	0.1	0.1
TOTAL	**380,759,842**	**100**	**100**	**379,828,120**	**100**	**100**	**372,377,939**	**100**	**100**

(a) Based on a survey of identifiable bearer shares as at 31 December 2020: 379.5 million shares identified.
(b) In accordance with Article 223-11 of the AMF General Regulation, the total number of voting rights is calculated on the basis of all shares with voting rights attached, including those stripped of voting rights.
(c) SCDM is a simplified limited company controlled by Martin Bouygues and Olivier Bouygues. This figure includes shares owned directly by Martin Bouygues and Olivier Bouygues.
(d) Shares owned by employees under company savings schemes. As of 31 December 2020, 8.96% of those shares had become available.
(e) Treasury shares held under share buyback programmes and the liquidity contract. Shares held by Bouygues are stripped of voting rights.

	Number of shares	Total number of voting rights
31 DECEMBER 2020	**380,759,842**	**514,767,427**
31 December 2019	379,828,120	509,048,266
31 December 2018	372,377,939	498,684,217

The company is not aware of any shareholder, other than those shown in the table above, holding more than 5% of the capital or voting rights.

Significant changes in share ownership during 2020

The main movements in share ownership since 31 December 2019 are described below:

- The interest in the capital held by employees rose slightly from 19.3% to 20.3% at end-December 2020 due to an increase in employee share ownership as a result of a favourable share price during the Covid-19 crisis. The percentage of voting rights held by employees increased from 25.6% in 2019 to 27.4% in 2020;
- SCDM's stake rose slightly to 22.4% at end-December 2020 compared with 21.2% at end-December 2019, while SCDM's share of the voting rights was virtually unchanged at 29.5% (versus 29.2% at 31 December 2019);
- BlackRock remains the largest institutional shareholder outside France, with 4% of the capital, followed in France by Amundi and DNCA with 2.8% and 2% of the capital respectively at the end of December 2020.

6.3.2 Voting rights

The terms on which the principal shareholders of Bouygues hold voting rights are no different from those enjoyed by the other shareholders. They are entitled, on the same terms as the other shareholders, to double voting rights subject to the conditions specified in Article 12 of the articles of association, the terms of which are summarised above (see section 6.1.2.4).

6.3.3 Control

No shareholder controls the company within the meaning of Article L. 233-3 of the Commercial Code.

At 31 December 2020, Martin Bouygues and Olivier Bouygues held 29.2% of the voting rights, either directly or via the simplified limited company SCDM, which gives them substantial power at general meetings (36.4% of the voting rights exercised at the 2020 Annual General Meeting), given the number of voting rights actually exercised.

The employees held 27.4% of the voting rights as of 31 December 2020 (32% of the voting rights exercised at the 2020 Annual General Meeting).

As indicated in the Report on corporate governance, the Board of Directors and Board committees include a significant proportion of independent directors (see chapter 5, section 5.3 of this Universal Registration Document).

6.3.4 Shareholder agreements relating to the capital of Bouygues

As far as the company is aware, no shareholder agreement relating to the company's capital exists and no agreement exists which could, if activated, result in a future change in control of Bouygues.

6.4 STOCK OPTIONS AND PERFORMANCE SHARES

Special report required under Articles L. 225-184 and L. 225-197-4 of the Commercial Code.

6.4.1 Principles and rules applied in awarding stock options and performance shares

Authorisations conferred by the Annual General Meeting

The thirty-second resolution of the Combined Annual General Meeting of 25 April 2019 authorised the Board of Directors to grant, on one or more occasions, stock options giving the beneficiaries the right to subscribe for new shares or buy existing shares. That authorisation was granted for a period of twenty-six months.

The thirty-third resolution of the Combined Annual General Meeting of 25 April 2019 authorised the Board of Directors to allot, on one or more occasions, existing or new shares free of charge (i.e. performance shares). That authorisation was granted for a period of twenty-six months.

The beneficiaries of such shares must be salaried employees or corporate officers of:

- Bouygues; or
- any company or economic interest grouping that is related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code.

To date, the Board of Directors has not used the authorisations to award performance shares or to grant options to buy existing shares. All the stock options granted have been options to subscribe for shares.

General rules applicable to awards of stock options or performance shares

The Board of Directors takes account of the recommendations contained in the Afep-Medef Code and those issued by the AMF.

Consequently:

- Stock options or performance shares are awarded to help attract senior executives and employees, secure their loyalty, reward them and give them a medium- and long-term interest in the company's development, in light of their contribution to value creation, and constitute a true sign of recognition.
- Each plan includes around 600 to 1,000 senior executives and employees. Beneficiaries are selected and individual awards determined based on responsibility, with particular attention paid to high-potential executives.
- No discount is applied to grants of stock options.
- A cap is set to prevent a significant increase in the volume of stock option plans when the market is falling. This cap is set at 15% of the volume of the previous plan.
- Any senior executive or employee included on the list of senior executives or equivalent persons (see explanation below) is prohibited from exercising options or selling shares arising from the exercise of options:
  - during the 30 calendar days preceding publication of the first-half and full-year financial statements, and on the day of such publication;
  - during the 15 calendar days preceding publication of the first-quarter and third-quarter financial statements, and on the day of such publication;
  - during the 15 calendar days preceding publication of Bouygues' quarterly sales release, and on the day of such publication.

  The Board of Directors has reiterated that this prohibition also applies during any period during which a senior executive or employee holds inside information, and on the day such information is made public.

In addition to these measures, Bouygues has disseminated various internal rules to prevent insider dealing policy breaches or offences: issuing a list of senior executives and equivalent persons with regular or occasional access to inside information or with regular access to sensitive information; reminders of the rules on trading restrictions; information about stock market law and the requirement for Executive Officers and their spouses to hold shares in registered form. A specific compliance programme (Financial Information and Securities Trading) was distributed within the Group in 2014 and was updated in 2017 to factor in the provisions of the European Market Abuse Directive, adding another layer to the preventive measures in this area.

Specific rules applicable to Executive Officers

Since 2010, the Executive Officers have at their own request not been awarded any stock options or performance shares. However, the Board of Directors does not rule out awarding stock options or performance shares to Executive Officers in the future, and has set the following rules that would apply in such a case:

- No stock options or performance shares may be granted by reason of an Executive Officer leaving office.
- There is a prohibition on speculative transactions or hedging the risk relating to the exercise of stock options or the sale of performance shares. To the best of the company's knowledge, no Executive Officer has contracted a hedging instrument.
- Executive Officers who wish to sell shares arising from the exercise of options or performance shares are required to confirm with the Group Ethics Officer that they do not hold inside information.
- The value of options awarded to a corporate officer is capped at 100% of his annual fixed and variable remuneration.
- Caps are imposed on awards made to the Chairman and Chief Executive Officer (no more than 5% of any plan) or to a Deputy Chief Executive Officer (no more than 2.5% of any plan). The Board of Directors reserves the right to reconsider those caps, with the caveat that the total volume of stock options awarded to Executive Officers during a two-year period is capped at 0.25% of the share capital under the terms of the thirty-second resolution of the Combined Annual General Meeting of 25 April 2019.
- Performance conditions must be met by Executive Officers when options are granted (by reference to actual consolidated net profit attributable to the Group for the financial year preceding the award) and exercised (by reference to consolidated net profit attributable to the Group for each of the financial years preceding exercise).
- When awarding stock options or performance shares, the Board of Directors must determine the number of performance shares or shares arising from exercise of options that Executive Officers are required to retain until they cease to hold office. For the most recently awarded stock option plans, Executive Officers were required to retain 25% of the shares they obtained from exercising stock options, after selling a sufficient number of shares to fund the exercise and pay the related taxes and social charges.
- Any transactions must be declared to the Board of Directors.

Rationale for awarding stock options

Ever since 1988, when Bouygues awarded its first stock option plan, the Board of Directors has always opted to use stock-options as the mechanism for securing the loyalty of its senior executives and employees and giving them a stake in the Group's future development.

The objective is and always has been to incentivise them through movements in the Bouygues share price, rather than simply to pay them extra remuneration. The well-foundedness of the decision to grant stock-options has been borne out by the positive correlation observed between the trend in the Bouygues share price and that in the net profit attributable to the Group.

The Board of Directors has asked the Selection and Remuneration Committee to reconsider regularly which is the most appropriate mechanism for securing loyalty and linking incentives to the value of the company's shares.

General information: characteristics of stock subscription options

All the stock subscription options granted by the Board of Directors in 2020 have the following characteristics:

- Exercise price: average of the opening quoted market prices on the 20 trading days preceding the grant date, with no discount.
- Validity: ten years from the grant date.
- Lock-up period: two years from the grant date.
- Exercise period: eight years from the end of the lock-up period (subject to three exceptions whereby options may be exercised at any time within the ten-year period:
  - exercise by heirs within six months following the death of a beneficiary;
  - change of control of Bouygues, or public tender offer or public exchange offer for Bouygues;
  - exercise in accordance with Article L. 3332-25 of the Labour Code using assets acquired under a Group savings scheme.
- Options automatically cancelled in the event of termination of employment contract or loss of office, unless given special authorisation or in the case of permanent incapacity for work or retirement.

6.4.2 Stock subscription options awarded to or exercised by Executive Officers in 2020

In accordance with the powers conferred by the Board meeting of 28 July 2020 to implement the 2020 stock option plan, on 8 October 2020 the Chairman and CEO awarded 2,830,000 stock subscription options to 696 beneficiaries drawn from among the corporate officers and employees of Bouygues or companies belonging to the Bouygues group.

The exercise price was set at €30.53 per share subscribed.

The value of each stock option was €3.0093 at the grant date, estimated in accordance with the method used for the consolidated financial statements.

This stock option plan represented 0.75% of the company's share capital as of 30 June 2020.

Stock subscription options awarded to Executive Officers of Bouygues in 2020

The Board did not award any options to the Executive Officers.

Stock subscription options exercised by Executive Officers of Bouygues in 2020

No stock subscription options were exercised by Executive Officers of Bouygues in 2020.

6.4.3 Performance shares

Performance shares awarded to each Executive Officer

Bouygues did not award any performance shares in 2020.

Performance shares that became available to each Executive Officer during the year

No performance shares became available because the company did not award any.

6.4.4 Summary of outstanding stock option plans

Breakdown of stock subscription option plans by plan and category of beneficiary

	2020	2019	2018	2017	2016	2015	2014
Date of AGM	25/04/2019	25/04/2019	26/04/2018	27/04/2017	21/04/2016	23/04/2015	21/04/2011
Grant date	08/10/2020	31/05/2019	01/06/2018	01/06/2017	30/05/2016	28/05/2015	27/03/2014
Number of options awarded by the Board of Directors	2,835,000	2,898,500	2,584,700	2,570,800	2,790,000	2,739,600	2,790,000
• of which the 10 employees awarded the most options	602,000	587,000	482,500	453,500	414,500	360,800	289,100
Exercise price (€)	30.53	32.59	41.57	37.99	29.00	37.11	30.32
Start date of exercise period	09/10/2022	01/06/2021	02/06/2020	02/06/2019	31/05/2018	29/05/2017	28/03/2018
Expiration date [a]	08/10/2030	31/05/2029	01/06/2028	01/06/2027	30/05/2026	28/05/2025	27/09/2021
Number of options cancelled or lapsed	5,000	278,619	270,912	132,065	239,700	146,950	80,000
Number of options outstanding at 31/12/2020	2,830,000	1,484,871	2,012,196	1,685,672	2,331,042	2,437,750	2,799,000
TOTAL OPTIONS OUTSTANDING AT 31/12/2020	**15,580,531**						

(a) Last day of period of validity of options.

6.4.5 Stock subscription options awarded to/exercised by the ten employees awarded/exercising the most options during 2020

Stock subscription options awarded to the employees (excluding corporate officers) of Bouygues awarded the most options during the year

Employee	Company awarding the options	Grant date	Number of options	Exercise price (€)
Philippe Bonnave	Bouygues	8 October 2020	135,000	30.53
Georges Colombani	Bouygues	8 October 2020	16,000	30.53
Frédéric Gardès	Bouygues	8 October 2020	80,000	30.53
Pascal Grangé	Bouygues	8 October 2020	45,000	30.53
Pascal Minault	Bouygues	8 October 2020	80,000	30.53
Gilles Pélisson	Bouygues	8 October 2020	80,000	30.53
Jean-Manuel Soussan	Bouygues	8 October 2020	35,000	30.53
Arnauld Van Eeckhout	Bouygues	8 October 2020	35,000	30.53
Richard Viel-Gouarin	Bouygues	8 October 2020	80,000	30.53
Gilles Zancanaro	Bouygues	8 October 2020	16,000	30.53
TOTAL			**602,000**	

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Stock subscription options exercised during 2020 by the ten employees (excluding corporate officers) of Bouygues exercising the most options

Employee	Company awarding the options	Plan	Number of options exercised	Exercise price (€)
Philippe Bonnave	Bouygues	03/2013	23,000	22.28
Gilles Zancanaro	Bouygues	03/2013	7,500	22.28
		03/2014	7,500	30.32
		05/2016	7,500	29
Pascal Grangé	Bouygues	03/2013	9,000	22.28
Richard Viel-Gouarin	Bouygues	05/2016	3,666	29
Frédéric Gardès	Bouygues	03/2013	2,500	22.28
Christophe Liénard	Bouygues	03/2013	2,000	22.28
Charles-Henri Burgelin	Bouygues	03/2014	1,300	30.32
Olivier Hoberdon	Bouygues	03/2013	1,100	22.28
Yvon Colleu	Bouygues	03/2014	1,027	30.32
Georges Colombani	Bouygues	05/2016	420	29
TOTAL			**66,513**	

In 2020, 931,722 Bouygues stock subscription options were exercised by employees of Bouygues or its subsidiaries, including the ten Bouygues employees listed above.

6.5 STOCK MARKET INFORMATION

6.5.1 Stock market performance of Bouygues shares in 2020

Bouygues shares are listed on the Euronext Paris market (compartment A) and belong notably to the CAC 40, Euronext 100, FTSE Eurofirst 300, and Dow Jones Stoxx 600 indices. They are eligible for the Deferred Settlement Service (SRD) and for French equity savings plans (PEAs).

- There was a total of 380,759,842 **shares in issue** on 31 December 2020.
- The **average number of shares in issue** during 2020 was 380,216,641.
- The average daily volume traded in 2020 as reported by Euronext was 1,299,257 shares.

During 2020, against the backdrop of the Covid-19 crisis, Bouygues shares declined by 11.17%, compared with a fall of 7.14% for the CAC 40.

Movements in the share price came in three phases:

- In January and February, the share price remained over €37, reaching its highest closing value of the year (€41.20) on 20 February, the day on which the Group announced its full-year results.
- In mid-March, after the first lockdown in France was announced, the share price fell sharply, hitting its lowest closing value of the year (€23.16) on 18 March. In a generally highly volatile stock market, Bouygues shares then traded at between €29 and €34 until mid-September.
- Since then, movements in the Bouygues share price have been comparable with those of the CAC 40.

Year	Number of shares	Dividend paid for the year (€)	Quoted market price (€)			Yield based on closing price (%)
		Net	High	Low	Closing	
2015	345,135,316	1.60	39.05	28.70	36.55	4.4
2016	354,908,547	1.60	37.30	24.99	34.05	4.7
2017	366,125,285	1.70	44.65	33.65	43.31	3.9
2018	372,377,939	1.70	45.75	30.26	31.34	5.4
2019	379,828,120	1.70 [a]	39.25	29.50	37.88	4.5
2020	380,759,842	1.70 [b]	41.20	23.16	33.65	5.1

(a) Approved by the Ordinary General Meeting of 4 September 2020.
(b) Submitted to approval by the Annual General Meeting of 22 April 2021.

6.5.2 Trends in share price and trading volumes

2020	High (€)	Low (€)	Number of shares traded	Capital traded (€m)
January	38.61	35.73	17,675,644	664
February	41.20	35.48	28,164,286	1,072
March	36.89	23.16	53,016,664	1,530
April	30.26	24.37	32,053,224	869
May	27.73	24.75	26,050,525	688
June	30.92	27.08	37,677,327	1,091
July	33.16	30.00	29,782,080	950
August	34.25	31.32	17,610,488	579
September	34.37	29.13	25,465,163	801
October	31.36	27.37	21,767,117	648
November	34.48	28.98	24,440,392	797
December	35.50	33.04	20,206,071	687

2019	High (€)	Low (€)	Number of shares traded	Capital traded (€m)
January	30.98	29.50	20,943,289	634
February	33.25	29.64	19,172,723	605
March	33.18	31.27	20,011,192	644
April	35.12	32.63	19,829,307	675
May	33.67	31.33	22,896,175	743
June	32.57	31.14	17,306,696	551
July	33.43	31.71	20,627,287	674
August	34.80	31.33	19,536,676	637
September	36.75	33.31	21,219,683	741
October	39.25	35.23	27,270,374	1,031
November	38.94	36.72	23,775,040	899
December	38.77	36.27	19,108,800	720

6.5.3 Share trading by senior executives

As required by Article 223-26 of the AMF General Regulation, the table below summarises the transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code and carried out in 2020.

Person involved	Nature of transaction	Number of transactions	Number of shares/units	Amount (€)
SCDM	Purchase	16	4,800,000	148,464,330.00
Olivier Roussat	Award of shares [a]	1	2,500	67,450.00
Pascal Grangé	Exercise of options	1	9,000	200,520.00
	Sale	1	9,000	303,525.00
Philippe Marien	Award of shares [a]	1	2,500	67,450.00
	Exercise of options	1	80,000	1,782,400.00
	Sale	1	70,000	2,376,584.00
Philippe Bonnave	Exercise of options	1	23,000	512,440.00
	Sale	1	23,000	759,230.00
Frédéric Gardès	Sale of units in employee share ownership fund	1	238.7147	55,350.78
	Exercise of options	2	2,500	55,700.00
Richard Viel-Gouarin	Sale of units in employee share ownership fund	1	534.1454	106,337.67
	Exercise of options	1	3,666	106,314.00
Raphaëlle Deflesselle	Exercise of options	1	1,000	22,280.00
Olivier-Marie Racine	Exercise of options	1	10,000	222,800.00
Bernard Mounier	Sale of units in employee share ownership fund	1	760.9170	174,105.42
	Exercise of options	1	7,526	167,679.28

(a) In accordance with the 2019 remuneration policy, Olivier Roussat and Philippe Marien received a contingent award of shares subject to performance conditions.

6.6 INFORMATION ON AUDITORS

6.6.1 Principal auditors

Under Article 22 of the articles of association, the financial statements are audited by at least two principal statutory auditors, appointed for a term of six financial years by an ordinary general meeting of shareholders.

	First appointment	Latest reappointment	Term expires
Mazars 61 rue Henri-Regnault, 92075 Paris-La Défense, France	10 June 1998	21 April 2016	2022
Ernst & Young Audit Tour First, 1/2 place des Saisons, 92400 Courbevoie, France	24 April 2003	23 April 2015	2021

Mazars and Ernst & Young Audit are members of the Versailles regional association of auditors.

Acting on a recommendation from the Audit Committee, the Board of Directors is proposing that the Annual General Meeting of 22 April 2021 reappoint Ernst & Young Audit as a principal auditor for a term of six financial years, expiring at the end of the Annual General Meeting called in 2027 to approve the financial statements for 2026.

6.6.2 Alternate auditors

In accordance with a provision of the Sapin 2 law of 9 December 2016, the Annual General Meeting of 26 April 2018 amended the articles of association by removing the requirement to appoint an alternate auditor where the principal auditor is a legal entity. The terms of office of the current alternate auditors will continue to run until the date specified by the general meeting of shareholders that appointed them.

	First appointment	Latest reappointment	Term expires
Philippe Castagnac (Mazars group)	29 April 2010	21 April 2016	2022
Auditex (EY group)	23 April 2009	23 April 2015	2021

Philippe Castagnac and Auditex are members of the Versailles regional association of auditors.

6.6.3 Fees paid by the Group to the auditors and members of their networks

The fees paid to each of the auditors and to the members of their networks by Bouygues and all fully consolidated Group companies are set forth in Note 23 to the consolidated financial statements (chapter 7, section 7.1 of this Universal Registration Document).

6.7 BOUYGUES SA RESULTS FOR THE LAST FIVE FINANCIAL YEARS

Item	2020	2019	2018	2017	2016
1. FINANCIAL POSITION AT YEAR-END					
a) Share capital (€m)	381	380	372	366	355
b) Number of shares in issue	380,759,842	379,828,120	372,377,939	366,125,285	354,908,547
c) Number of bonds convertible into shares					
2. RESULTS OF OPERATIONS (€m)					
a) Sales excluding taxes	74	85	73	81	73
b) Earnings before tax, amortisation, depreciation and provisions	647	812	597	(63)	696
c) Income tax	69	131	155	178	86
d) Earnings after tax, amortisation, depreciation and provisions	698	1,166	886	102	973
e) Amount of profits distributed as dividend	647	647	631	620	568
3. RESULTS OF OPERATIONS ON A PER SHARE BASIS (€)					
a) Earnings after tax, but before amortisation, depreciation and provisions	1.88	2.48	2.02	0.32	2.2
b) Earnings after tax, amortisation, depreciation and provisions	1.83	3.07	2.38	0.28	2.74
c) Dividend per share	1.7	1.7	1.7	1.7	1.6
4. PERSONNEL					
a) Number of employees (average)	190	185	173	167	169
b) Payroll (€m)	41	41	35	30	37
c) Amount paid in respect of benefits (social security, company benefits, etc.) (€m)	19	19	16	14	17

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7.1 CONSOLIDATED FINANCIAL STATEMENTS

7.1.1 Consolidated balance sheet

ASSETS (€ million)	**Note**	**31/12/2020 net**	**31/12/2019 net restated [a]**
Property, plant and equipment	3.2.1	7,486	7,502
Right of use of leased assets	3.2.2	1,668	1,760
Intangible assets	3.2.3	2,694	2,177
Goodwill	3.2.4	7,232	6,541
Investments in joint ventures and associates	3.2.5/3.2.6	1,542	1,556
Other non-current financial assets	3.2.5/3.2.7	529	487
Deferred tax assets	7.1	346	342
NON-CURRENT ASSETS		**21,497**	**20,365**
Inventories	4.1	2,839	3,239
Advances and down-payments made on orders	4.2	398	434
Trade receivables	4.3	5,890	6,288
Customer contract assets	4.4	2,448	2,426
Current tax assets	4.3	213	307
Other current receivables and prepaid expenses	4.3	3,046	2,828
Cash and cash equivalents	4.5	4,224	3,574
Financial instruments - Hedging of debt	18.2	11	12
Other current financial assets	18.2	16	7
CURRENT ASSETS		**19,085**	**19,115**
Held-for-sale assets and operations		41	
TOTAL ASSETS		**40,623**	**39,480**

LIABILITIES AND SHAREHOLDERS' EQUITY (€ million)	**Note**	**31/12/2020**	**31/12/2019 restated [a]**
Share capital	5.2	381	380
Share premium and reserves		9,354	8,803
Translation reserve	5.3.3	(91)	38
Treasury shares			
Net profit/(loss) attributable to the Group		696	1,184
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**5.1**	**10,340**	**10,405**
Non-controlling interests	5.1	1,463	1,395
SHAREHOLDERS' EQUITY	**5.1**	**11,803**	**11,800**
Non-current debt	8.1	5,544	4,236
Non-current lease obligations	10.1	1,374	1,451
Non-current provisions	6.1	2,245	2,167
Deferred tax liabilities	7.2	273	361
NON-CURRENT LIABILITIES		**9,436**	**8,215**
Current debt	8.1	474	1,295
Current lease obligations	10.1	359	361
Current tax liabilities		165	230
Trade payables		7,200	7,394
Customer contract liabilities	11.2	4,098	3,841
Current provisions	6.2	1,242	1,136
Other current liabilities	11.1	5,629	4,908
Overdrafts and short-term bank borrowings		187	220
Financial instruments - Hedging of debt	18.2	11	57
Other current financial liabilities	18.2	19	23
CURRENT LIABILITIES	**11.1**	**19,384**	**19,465**
Liabilities related to held-for-sale operations			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**40,623**	**39,480**
NET SURPLUS CASH/(NET DEBT)	**9/17**	**(1,981)**	**(2,222)**

(a) "Right of use of leased assets" and "Lease obligations" as of 31 December 2019 have been restated for the effects of applying the IFRS IC final decision on lease terms.

7.1.2 Consolidated income statement

€ million	Note	Full year 2020	2019
SALES [a]	**12/17**	**34,694**	**37,929**
Other revenues from operations		66	81
Purchases used in production		(15,193)	(17,473)
Personnel costs		(8,090)	(8,376)
External charges		(7,591)	(7,950)
Taxes other than income tax		(618)	(629)
Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	17/4.6	(1,832)	(1,814)
Net amortisation expense on right of use of leased assets	4.6	(359)	(338)
Charges to provisions and other impairment losses, net of reversals due to utilisation	17/4.6	(558)	(479)
Change in production and property development inventories		(202)	(250)
Other income from operations [b]		1,802	1,760
Other expenses on operations		(897)	(785)
CURRENT OPERATING PROFIT/(LOSS)	**13/17**	**1,222**	**1,676**
Other operating income	13/17	86	71
Other operating expenses	13/17	(184)	(51)
OPERATING PROFIT/(LOSS)	**13/17**	**1,124**	**1,696**
Financial income	14.1	32	39
Financial expenses	14.1	(199)	(246)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)	**14.1/17**	**(167)**	**(207)**
Interest expense on lease obligations	17.1	(53)	(57)
Other financial income	14.2	47	84
Other financial expenses	14.2	(80)	(94)
Income tax	15/17	(317)	(452)
Share of net profits/losses of joint ventures and associates	17.1	216	350
Net profit/(loss) from continuing operations	**17**	**770**	**1,320**
Net profit/(loss) from discontinued operations			
NET PROFIT/(LOSS)	**17**	**770**	**1,320**
Net profit/(loss) attributable to the Group	**16/17**	**696**	**1,184**
Net profit/(loss) attributable to non-controlling interests		74	136
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	**16**	**1.83**	**3.18**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	**16**	**1.83**	**3.17**
(a) Of which sales generated abroad		14,292	15,483
(b) Of which reversals of unutilised provisions/impairment losses & other items	17	326	364

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7.1.3 Consolidated statement of recognised income and expense

€ million	Note	Full year 2020	Full year 2019
NET PROFIT/(LOSS)		**770**	**1,320**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on post-employment benefits		(42)	(97)
Remeasurement of investments in equity instruments		(12)	(28)
Net tax effect of items not reclassifiable to profit or loss		14	22
Share of non-reclassifiable income and expense of joint ventures and associates		(31)	(97)
Items reclassifiable to profit or loss			
Translation adjustments		(114)	55
Remeasurement of hedging assets		7	(32)
Net tax effect of items reclassifiable to profit or loss		(1)	6
Share of reclassifiable income and expense of joint ventures and associates		(24)	93
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**5.3**	**(203)**	**(78)**
TOTAL RECOGNISED INCOME AND EXPENSE		**567**	**1,242**
Recognised income and expense attributable to the Group		**509**	**1,125**
Recognised income and expense attributable to non-controlling interests		**58**	**117**

7.1.4 Consolidated statement of changes in shareholders' equity

€ million	Note	Share capital and share premium	Reserves related to capital and retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	Total attributable to the Group	Non-controlling interests	Total
POSITION AT 31 DECEMBER 2018 RESTATED [a]		**2,574**	**2,481**	**4,704**		**(112)**	**9,647**	**1,385**	**11,032**
MOVEMENTS DURING 2019									
Net profit/(loss)				1,184			1,184	136	1,320
Income and expense recognised directly in equity						(59)	(59)	(19)	(78)
Total recognised income and expense [c]				**1,184**		**(59)**	**1,125**	**117**	**1,242**
Capital and reserves transactions, net		175	255	(255)			175		175
Acquisitions and disposals of treasury shares				9			9		9
Acquisitions and disposals with no change of control				3			3	(2)	1
Dividend paid				(631)			(631)	(79)	(710)
Share-based payments				16			16	2	18
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)				61			61	(28)	33
POSITION AT 31 DECEMBER 2019		**2,749**	**2,736**	**5,091**		**(171)**	**10,405**	**1,395**	**11,800**
MOVEMENTS DURING 2020									
Net profit/(loss)				696			696	74	770
Income and expense recognised directly in equity	5.3					(187)[b]	(187)	(16)[b]	(203)
Total recognised income and expense [c]				**696**		**(187)**	**509**	**58**	**567**
Capital and reserves transactions, net		22	519	(519)			22		22
Acquisitions and disposals of treasury shares									
Acquisitions and disposals with no change of control	5.5			(13)			(13)	(3)	(16)
Dividend paid				(646)			(646)	(41)	(687)
Share-based payments	5.4			4			4	1	5
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)	5.5			59			59	53	112
POSITION AT 31 DECEMBER 2020		**2,771**	**3,255**	**4,672**		**(358)**	**10,340**	**1,463[d]**	**11,803**

(a) Shareholders' equity as of 31 December 2018 has been restated for the effects of applying IFRS 16.
(b) Change in translation reserve:

Attributable to:	Group	Non-controlling interests	Total
Controlled companies	(109)	(5)	(114)
Investments in joint ventures and associates	(20)		(20)
	(129)	**(5)**	**(134)**

(c) See statement of recognised income and expense.
(d) Of which TF1: €901 million and Bouygues Telecom: €433 million.

7.1.5 Consolidated cash flow statement

€ million	Note	Full year 2020	2019
I - CASH FLOW FROM CONTINUING OPERATIONS			
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
Net profit/(loss) from continuing operations	17	770	1,320
Adjustments:			
Share of profits/losses reverting to joint ventures and associates, net of dividends received		(160)	101
Dividends from non-consolidated companies		(5)	(10)
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		1,956	1,753
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		360	342
Gains and losses on asset disposals		(144)	(222)
Income taxes, including uncertain tax positions	15	317	452
Income taxes paid		(367)	(422)
Other income and expenses with no cash effect		(18)	18
CASH FLOW AFTER INCOME FROM NET SURPLUS CASH/COST OF NET DEBT, INTEREST EXPENSE ON LEASE OBLIGATIONS AND INCOME TAXES PAID	**17**	**2,709**	**3,332**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		220	264
Changes in working capital requirements related to operating activities (including current impairment and provisions) [a]	17	477	(223)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**3,406**	**3,373**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant and equipment and intangible assets	17	(2,648)	(1,853)
Proceeds from disposals of property, plant and equipment and intangible assets	17	428	251
Net liabilities related to property, plant and equipment and intangible assets		709	(26)
Purchase price of non-consolidated companies and other investments		(11)	(6)
Proceeds from disposals of non-consolidated companies and other investments		2	13
Net liabilities related to non-consolidated companies and other investments		2	(10)
Purchase price of investments in consolidated activities	22.1	(930)	(225)
Proceeds from disposals of investments in consolidated activities	22.1	646	1,183
Net liabilities related to consolidated activities	22.1	258	(1)
Other effects of changes in scope of consolidation: cash of acquired and divested companies	22.1	(1)	8
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		(59)	64
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(1,604)**	**(602)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES			
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		62	170
Dividends paid to shareholders of the parent company		(646)	(631)
Dividends paid by consolidated companies to non-controlling interests		(41)	(79)
Change in current and non-current debt	9	234	(1,041)
Repayment of lease obligations	17	(372)	(351)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(220)	(264)
Other cash flows related to financing activities		(38)	1
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		**(1,021)**	**(2,195)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**9**	**(98)**	**88**
CHANGE IN NET CASH POSITION (A + B + C + D)		**683**	**664**
NET CASH POSITION AT START OF PERIOD	**9**	**3,354**	**2,690**
Net cash flows	9	683	664
Non-monetary flows			
Held-for-sale operation			
NET CASH POSITION AT END OF PERIOD	**9**	**4,037**	**3,354**
II - CASH FLOWS FROM DISCONTINUED OPERATIONS			
NET CASH POSITION AT START OF PERIOD			**(1)**
Net cash flows			1
NET CASH POSITION AT END OF PERIOD			

(a) Definition of changes in working capital requirements related to operating activities: current assets minus current liabilities, excluding (i) income taxes; (ii) receivables/liabilities related to property, plant and equipment and intangibles assets; (iii) current debt; (iv) current lease obligations; and (v) financial instruments used to hedge debt.

7.1.6 Notes to the consolidated financial statements

Contents (figures in millions of euros unless otherwise indicated)

Note 1 Significant events of the year

1.1 Scope of consolidation as of 31 December 2020

As of 31 December 2020, the scope of consolidation of Bouygues SA consisted of 1,249 entities, compared with 1,230 as of 31 December 2019.

31 December	2020	2019
Companies controlled by the Group	830	811
Joint operations	178	194
Investments in joint ventures and associates	241	225
	1,249	**1,230**

1.2 Significant events

1.2.1 Significant events of 2020

The principal corporate actions and acquisitions of 2020 are described below:

- On 20 January 2020, Bouygues Construction extended its arbitration proceedings against Alpiq (see Note 1.2.2) by increasing the amount of its initial claim from CHF 205 million to CHF 319 million (€295 million at the 31 December 2020 exchange rate) plus interest. On 22 December 2020, the two parties agreed a settlement to end the arbitration proceedings, under which Alpiq reimbursed CHF 54.5 million, split CHF 51.5 million (€47 million) for Bouygues Construction and CHF 3 million (€2 million) for Colas. Because this adjustment occurred more than 12 months after the acquisition of Alpiq Engineering Services, it was recognised as a gain for accounting purposes in the fourth quarter of 2020 in "Other operating expenses", net of litigation costs.
- On 30 January 2020, Bouygues Construction was the target of a ransomware attack caused by malware. Bouygues Construction initially shut down its IT system as a precaution to prevent the virus from spreading, and specific measures were taken to ensure business continuity in France and abroad. Steps were taken immediately to restore information systems. No worksites were shut down. An exceptional response from across the entire company, and by experts from within and outside the Bouygues group, meant that Bouygues Construction was able to meet all its commitments. As of now, all services and applications have been restored. The relevant insurance policies were activated; a complaint filed with the competent authorities has not yet led to any prosecution.
- On 17 February 2020, Alstom announced the signature of a memorandum of understanding with Bombardier Inc. and the Caisse de dépôt et placement du Québec to acquire Bombardier Transportation, the rail division of Bombardier (Canada). The price for 100% of Bombardier Transportation's shares will be settled partly in cash, and partly in newly-issued Alstom shares. The transaction was completed on 29 January 2021 (see Note 1.3).

  On 3 November 2020, Bouygues sold 11 million Alstom shares (representing approximately 4.8% of the share capital), generating proceeds of €450 million net of transaction costs. The gain on the sale, amounting to €87 million, was recognised in the fourth quarter of 2020.

  On 16 November 2020, Alstom announced a rights issue of approximately €2 billion in connection with its proposed acquisition of Bombardier Transportation. On 17 November 2020, Bouygues sold 16.45 million of its Alstom pre-emptive subscription rights ("PSRs") at a price of €2.95 per PSR (representing a total of approximately €49 million) through an accelerated bookbuild offering to qualified investors (the "Offering"). Bouygues sold sufficient PSRs to enable it to fund the exercise of its remaining Alstom PSRs, and thereby to participate in the rights issue in an "opération blanche". This transaction confirmed Bouygues' support for Alstom's strategy and proposed acquisition of Bombardier Transportation, without committing extra capital. Settlement of the Offering took place on 19 November 2020. Bouygues recognised a gain on dilution of €31 million in the fourth quarter of 2020. On completion of this transaction, Bouygues committed to retaining its Alstom shares for a 90-day period ending on 7 March 2021. As of 31 December 2020, Bouygues held a 7.99% equity interest in Alstom.

  This residual interest continues to be accounted for by the equity method in "Investments in joint ventures and associates", significant influence being established by the presence of Bouygues SA and Olivier Bouygues on the Alstom Board of Directors.
- On 26 February 2020, Bouygues Telecom and Cellnex signed a strategic agreement setting up a company to roll out, market and manage a national fibre optic network (FTTA and FTTO). Effective completion of the transaction occurred on 29 May 2020. Bouygues Telecom signed a long-term service agreement with the new company, which is controlled by Cellnex. The project, worth approximately €1 billion over seven years (to 2027), will enable Bouygues Telecom to link its network infrastructure (mobile towers and fibre optic nodes) via fibre, so that the company can meet growing data usage demand on its networks and extend its footprint in the business and wholesale fixed telecoms markets. As of 31 December 2020, Bouygues Telecom had invested €15 million and held a 49% equity interest in the new company, over which it exercises significant influence. Bouygues Telecom has a call option over the remaining shares exercisable between 15 January and 15 June 2040 and at five-year intervals to 2050, which would give it control over the new company.
- On 19 March 2020, Bouygues Telecom and Phoenix Tower International (a Blackstone portfolio company based in the United States, specialising in mobile infrastructure construction) implemented an agreement to set up a new company to roll out up to approximately 4,000 new mobile sites in France over a 12-year period outside very dense areas. The new company, controlled by Phoenix Tower International, will own and manage the sites. Some of the sites will be deployed to meet Bouygues Telecom's regulatory obligations under the "New Deal Mobile" programme, which aims to deliver targeted improvements in mobile coverage and accelerate the roll-out of the mobile network along transport arteries. The new company has sufficient size and coverage to make it a high-potential infrastructure operator in the French market. As of 31 December 2020, Bouygues Telecom had invested €3 million and held a 40% equity interest in the new company, over which it exercises

significant influence. Bouygues Telecom has a call option over the remaining shares exercisable between 15 January and 15 July 2034 and at five-year intervals to 2049, which would give it control over the new company.

- On 7 April 2020, Bouygues carried out a €1 billion bond issue maturing 24 July 2028, bearing interest at 1.125%. The €1 billion bond issue carried out on 22 July 2015 was redeemed at maturity on 22 July 2020.
- On 23 April 2020, Bouygues Telecom and Vauban Infrastructures Partners (a BPCE group company) announced the signature of a strategic agreement to ramp up the roll-out of FTTH in medium dense areas served by Orange under private investment deals (AMII and AMEL zones, representing around 13 million premises). Effective completion of the transaction occurred on 29 June 2020. Bouygues Telecom created a special purpose vehicle called Société de Développement pour l'Accès à l'Infrastructure Fibre (SDAIF) and launched a call for bids at the end of 2019; as a result of that process Vauban Infrastructure Partners, acting on behalf of its funds, was chosen to be SDAIF's new majority shareholder. SDAIF, over which Bouygues Telecom exercises significant influence, will acquire long-term access rights from Orange, helping to co-finance fibre optics alongside the main French operators. More than €1 billion will be invested over the next four years.

  On the formation of SDAIF, Vauban Infrastructure Partners and Bouygues Telecom agreed to subscribe to the share capital of the new company. Bouygues Telecom contributed to the new company (i) a service contract, with an undertaking to access FTTH premises in medium dense areas solely via SDAIF for a 30-year period at a pre-determined price; and (ii) a supply contract enabling SDAIF to purchase FTTH premises from Orange. SDAIF can also offer the same access services to third-party operators. The transaction valued Bouygues Telecom's 49% equity interest in SDAIF at €295 million as of 29 June 2020, comprising (i) €272 million for the service and supply contracts, which will be recognised in current operating profit over the term of the contract, and (ii) €23 million for the capital increase to be carried out by Bouygues Telecom. As of 31 December 2020, Bouygues Telecom's interest in SDAIF was measured at €286 million.

  Bouygues Telecom has an option to buy out some or all of the shares of SDAIF exercisable between 15 March and 15 June each year from 2024 to 2027, and then every five years from 2030 to 2050.

  Finally, Bouygues Telecom sold to SDAIF the access rights it had already acquired from Orange, generating in the second quarter of 2020 disposal proceeds of €185 million and a gain of €17 million (recognised in current operating profit) for the 51% share not held by Bouygues Telecom.
- On 17 June 2020, the Paris Court of Appeal ordered Orange to pay €250 million in damages to Digicel, the company to which Bouygues Telecom sold its operations in the French Antilles in 2006. Under the terms of the purchase agreement, Digicel is required to pass on to Bouygues Telecom a portion of the financial penalties received by Digicel.

  On 9 December 2020, an amount of €90 million was received, in return for setting up a demand guarantee as security for the full or partial reimbursement of the sum by Bouygues Telecom in the event the decision is overturned on appeal. At this stage in the case, no gain has been recognised in the income statement for the year ended 31 December 2020, and the amount received has been recognised within "Cash and cash equivalents" in the balance sheet, with a matching liability recognised in "Other current liabilities". In the cash flow statement, it has been included in net cash flows from investing activities, within the line item "Proceeds from disposals of investments in consolidated activities".
- On 25 June 2020, Bouygues Telecom signed an exclusivity agreement with Euro-Information (a Crédit Mutuel group company) with a view to acquiring 100% of the share capital of its subsidiary Euro-Information Telecom (EIT), France's leading alternative telecoms operator, and to concluding an exclusive distribution agreement between Crédit Mutuel, CIC and Bouygues Telecom. EIT has more than 2 million customers and generated sales of €518 million in 2019. Effective completion of the transaction occurred on 31 December 2020, after it obtained clearance from the French Competition Authority. The purchase price comprises fixed consideration of €596 million paid on closing plus contingent consideration of between €140 million and €325 million, payable over a number of years subject to attainment of economic performance criteria. The acquisition was partially funded by a rights issue subscribed by Bouygues Telecom shareholders. As of the date control was obtained, provisional goodwill of €756 million was recognised and the impact on net debt was €827 million, based on an estimate of the contingent consideration (recognised as a financial liability, see Note 9.2).
- On 4 September 2020, a General Meeting of Bouygues shareholders approved payment of a dividend of €1.70 per share in respect of the 2019 financial year, representing a total of €646 million that was paid out in the third quarter of 2020. Because the Group has a particularly solid financial position and a high level of available cash, this dividend payout could be made while retaining sufficient liquidity to cope with the consequences of the health crisis, develop the Bouygues group's existing activities, and maintain a low level of indebtedness.
- Between 29 September and 1 October 2020, French telecoms regulator Arcep conducted an auction to award 3.5 GHz frequencies in the "core 5G band" (3.4-3.8 GHz). On completion of the auction, Bouygues Telecom obtained a total of 70 MHz for €602 million, net of spectrum clearing costs (a 50 MHz block for €350 million, plus two 10 MHz blocks for €126 million each). Payments will be spread over 15 years for the first block and over 4 years for the other two; a payment of €87 million was made at the end of 2020. Spectrum clearing costs for 2020 amounted to €6 million, which had not been disbursed as of 31 December 2020.
- Consequences of the Covid-19 pandemic
  - Impacts on the Group's activities

    The Covid-19 pandemic, and the lockdown measures implemented in France and other countries where the Group has operations, led to a sharp decline in activity for the Group's business segments in 2020. The contraction was concentrated in the first half of the year, with both activity levels and profits recovering strongly in the second half.

    The construction businesses were affected in France by the almost complete shutdown of worksites starting in the last two weeks of March 2020 in line with the lockdown measures, followed by a gradual resumption of activity from 15 April and the postponement of the second round of the French municipal elections to the end of June. To a lesser extent, the businesses were affected by a slowdown or shutdown of operations in other geographies (including Italy, the United Kingdom, Canada, French-speaking Switzerland, Singapore, and the Philippines). By mid-July 2020, virtually all worksites had reopened in France, and activity levels were back to near-normal levels in many other countries. Activity also resumed gradually in Singapore from mid-August. And in France, there was a strong catch-up in activity during the second half, helped by the signature of a Group-wide agreement allowing for increased working hours and days.

TF1 was affected by advertising campaigns being postponed or pulled on a massive scale from mid-March onwards, with the effects intensifying in the second quarter, and also by the shutdown of shooting during lockdown. There was a gradual resumption of shooting from mid-May. At the same time, scheduled events such as cinema releases, live shows and concerts, are severely impacted or (in some cases) remain shut down until the end of the year. However, full-year 2020 results show that the TF1 group has succeeded in adapting its programming schedules and managing its programme costs in response to the crisis. Finally, Bouygues Telecom has been less severely affected by Covid-19, despite the closure of retail outlets during lockdown and reduced roaming sales due to a slump in intercontinental travel and the closure of some borders.

While maintaining the health and safety of their employees, subcontractors and customers as their number one priority, the Group's business segments gradually resumed operations as soon as possible, and took the necessary steps to limit the impacts of the crisis on profitability (including negotiations with customers on sharing excess Covid-19 costs, and cost saving plans in all business segments).

In response to the health crisis and in light of the resulting economic uncertainties, Bouygues has been keen to act responsibly and show solidarity with the major sacrifices being expected of its stakeholders, especially its employees. The Group decided not to defer payments on account of corporate income taxes or social security contributions.

- Estimated impacts of the Covid-19 crisis on the 2020 financial year

The Covid-19 pandemic has led to a reduction in sales. Current operating profit has been impacted by the erosion of the current operating margin in the business segments, reflecting not only the reduction in sales but also unavoidable costs incurred in the three sectors of activity in spite of flexibility measures. Those costs mainly comprise fixed personnel costs (staff working part-time or not at all, net of any government support received); unoccupied premises; idle plant and equipment; and measures taken to ensure employees working on site are protected from health risks.

Due to the resumption of the Group's activities, it is no longer possible to quantify separately the impact of Covid-19 on the Group's year-on-year performance in the second half of the year. As a reminder, the year-on-year sales performance for the first half of 2020 was adversely affected by approximately €2.8 billion as a result of the Covid-19 crisis. The year-on-year current operating profit performance for the first half of 2020 was adversely affected by approximately €0.65 billion as a result of the Covid-19 crisis.

1.2.2 Reminder of significant events of 2019

The principal corporate actions and acquisitions of 2019 are described below:

- On 18 January 2019, Bouygues Telecom finalised the acquisition of a 43.6% equity interest in Keyyo at a price of €34 per share, representing an investment of €29 million. Following two voluntary public tender offers for the entire remaining equity capital at the same price per share, Bouygues Telecom now holds an equity interest of 100% (including treasury shares), representing an investment of €61 million. As of the date control was obtained, provisional goodwill of €51 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €61 million. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €36 million as of 31 December 2019.
- On 6 February 2019, the European Commission rejected the merger between Alstom and Siemens, who decided not to challenge that decision. The proposed merger was therefore abandoned.
- On 12 February 2019, Bouygues Construction filed arbitration proceedings against Alpiq following differences of opinion as to the amount of the final purchase price adjustment determined in connection with the sale of the services and engineering operations in 2018. Bouygues Construction claimed a sum of CHF 205.1 million (€189 million), while Alpiq claimed a payment of CHF 12.9 million (€12 million).
- On 14 February 2019, Colas announced that it had signed an agreement to sell Smac to a subsidiary of OpenGate Capital. Effective completion of the transaction occurred on 20 May 2019 after all the conditions precedent had been fulfilled, in particular approval from the competition authorities. This divestment reduced sales by approximately €600 million on an annual basis, and did not have a material impact on operating profit in 2019.
- On 21 February 2019, Bouygues Telecom and Dzeta Partners announced that they had reached an agreement for Bouygues Telecom to acquire 100% of the capital and voting rights of Nerim. The acquisition was completed on 13 March 2019 at a price of €55 million. As of the date control was obtained, provisional goodwill of €45 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €54 million. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €39 million as of 31 December 2020.
- On 28 February 2019, Newen announced the acquisition of a 60% equity interest in De Mensen at a price of €19 million. As of the date control was obtained, provisional goodwill of €14 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €29 million, including the acquisition of the residual 40% interest which will be completed in stages between 2022 and 2028. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €14 million as of 31 December 2020.
- On 10 July 2019, the Annual General Meeting of Alstom shareholders approved the payment of a dividend of €5.50 per share, as a result of which Bouygues received €341 million in cash on 17 July 2019.
- On 12 September 2019, Bouygues SA announced that it had divested a 13% equity interest in Alstom at a price of €37 per share (a total amount of €1,079 million before transaction costs), through a placement by way of an accelerated book-building with institutional investors. A net gain of €172 million was recognised in consolidated net profit for 2019, in "Share of net profits/(losses) of joint ventures and associates". The residual 14.7% stake held by Bouygues in Alstom following the divestment continued to be accounted for by the equity method in "Investments in joint ventures and associates". Bouygues gave an undertaking to the banks managing the placement to retain these shares for a 180-day lock-up period, subject to customary exceptions.
- On 4 October 2019, Newen completed the acquisition of a 51% equity interest in Reel One at a price of €32 million. As of the date control was obtained, the impact on net debt was €78 million, including the acquisition of the residual 49% interest which will be completed in stages between 2022 and 2026. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €13 million as of 31 December 2020.

1.3 Significant events and changes in scope of consolidation subsequent to 31 December 2020

On 29 January 2021, Alstom announced the completion of its acquisition of Bombardier Transportation. Under the terms of the deal, two rights issues reserved for affiliates of the Caisse de dépôt et placement du Québec and Bombardier Inc., of €2.6 billion and €500 million respectively, were carried out on the same day, generating a gain on dilution of approximately €39 million in the first quarter of 2021.

Following the sale of Alstom shares by Bouygues and the rights issues carried out in the fourth quarter of 2020 (see Note 1.2.1) and on 29 January 2021 in connection with Alstom's acquisition of Bombardier Transportation, Bouygues holds a 6.35% equity interest in Alstom.

Note 2 Group accounting policies

2.1 Sectors of activity

Bouygues is a diversified services group organised into three sectors of activity:

- Construction:
  - Construction and services (Bouygues Construction);
  - Property development (Bouygues Immobilier);
  - Transport infrastructure (Colas).
- Media:
  - The TF1 group ("TF1").
- Telecoms:
  - Mobile, fixed, TV and internet services (Bouygues Telecom).

The Bouygues group also holds an equity interest in Alstom (Transport), which stood at 7.99% as of 31 December 2020.

2.2 Basis of preparation of the financial statements

The consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its five business segments.

The consolidated financial statements were closed off by the Board of Directors on 17 February 2021, and will be submitted for approval by the forthcoming Annual General Meeting on 22 April 2021.

The consolidated financial statements for the year ended 31 December 2020 are expressed in millions of euros and were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as of and for the year ended 31 December 2019; the balance sheet as of that date has been restated to reflect the final decision of the IFRS Interpretations Committee of 26 November 2019 and the summary conclusion issued on 3 July 2020 by the ANC (the French national accounting standard-setter) on the lease terms to be applied under IFRS 16. That conclusion led the Group to reassess its lease terms. Based on the analysis performed, the only business segment affected was Bouygues Telecom; in particular, the lease terms applied for radio sites were revised upward to ensure consistency with depreciation periods applied to non-movable fixtures and fittings.

The effect was to increase right-of-use assets and lease obligations by €148 million as of 1 January 2019 and by €126 million as of 1 January 2020, with no impact on equity.

The Bouygues group applied the same standards, interpretations and accounting policies in the year ended 31 December 2020 as were applied in its consolidated financial statements for the year ended 31 December 2019, except for changes required to meet new IFRS requirements applicable in 2020.

- Principal amendments effective within the European Union and applicable in 2020
  - **Amendments to IFRS 9, IAS 39 and IFRS 7**

    On 26 September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 (phase 1) in connection with interest rate benchmark reform. Those amendments were endorsed by the European Union on 16 January 2020, and are applicable retrospectively from 1 January 2020. The impact of the amendments on the Group is immaterial.
  - **Amendment to IFRS 3**

    On 22 October 2018, the IASB issued an amendment to IFRS 3 to clarify the definition of a "business" in a business combination. The amendment was endorsed by the European Union on 21 April 2020, and applies to accounting periods beginning on or after 1 January 2020. The impact of the amendments on the Group is immaterial.
  - **Amendment to IFRS 16**

    On 28 May 2020, the IASB issued an amendment to IFRS 16, dealing with rent concessions related to Covid-19; it was endorsed by the European Union on 9 October 2020, and is applicable from 1 June 2020. The amendment, which permits lessees to account for such rent concessions as if they are not lease modifications, is not material at Group level.
- Exercise of judgement and use of estimates

  In preparing consolidated financial statements to comply with IFRS standards and interpretations, the Group uses estimates and assumptions which may have affected the amounts reported for assets, liabilities and contingent liabilities at the end of the reporting period, and the amounts of income and expenses reported for the period.

  These estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

The main items involved are the impairment testing of goodwill and equity investments; the measurement of identifiable assets and liabilities in a purchase price allocation; employee benefits (lump-sum retirement benefits, pensions, etc.); the fair value of unlisted financial instruments; the recoverability of deferred tax assets, especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.); review of contracts to determine whether they contain a lease; factors taken into account when restating leases (lease terms and incremental borrowing rates, as described respectively in Notes 2.7.2 and 2.11.2); and end-of-contract margins on construction and property development contracts (see Note 2.13.1).

Group management has exercised judgement in the application of IFRS to certain transactions, in particular in (i) determining the level of control exercised over certain entities (for example, in network or infrastructure sharing agreements); (ii) identifying whether a contract is a lease, and especially whether substantive substitution rights exist; (iii) analysing contingent consideration in business combinations; and (iv) identifying separate performance obligations for revenue recognition purposes.

Where no standard or interpretation applies to a specific transaction, Group management adopts accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the consolidated financial statements:

- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions;
- are neutral, prudent, and complete in all material respects.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements.

- Held-for-sale assets and operations and discontinued operations

A non-current asset, or a group of directly-associated assets and liabilities, is regarded as being held for sale if its carrying amount will be recovered primarily through a sale rather than through continuing use. For this to be the case, the asset must be available for sale in its immediate condition, and its sale must be highly probable. Such held-for-sale assets or asset groups are measured at the lower of the carrying amount or the estimated selling price less costs to sell.

A discontinued operation is one that is material to the Group (having been treated as a Cash Generating Unit) and that has either been disposed of or classified as a held-for-sale asset. Income statement and cash flow information about such discontinued operations is reported in separate line items in the consolidated financial statements for all periods presented.

2.3 Consolidation methods

2.3.1 Companies controlled by the Bouygues group

Companies over which Bouygues exercises control are consolidated.

- Assessment of control over TF1:

As of 31 December 2020, Bouygues held, directly or indirectly, 43.7% of the capital and voting rights of TF1. All the factors mentioned below, taken collectively, establish that the Bouygues group exercises control over TF1:

- Bouygues has the power to direct the relevant activities of TF1. The Bouygues group:
  - has consistently and regularly held a large majority of the voting rights exercised at TF1 general meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than Bouygues;
  - has had exclusive power to determine decisions at TF1 general meetings during at least two consecutive financial years.
- Bouygues has exposure and rights to variable returns. Due to its 43.7% equity interest, the Bouygues group has high exposure to variable returns from TF1 in the form of dividends.
- Bouygues has the ability to affect the returns it obtains through the power it exercises. The Bouygues group:
  - holds five of the 11 seats on the TF1 Board of Directors;
  - has a dominant role in appointing key executives of TF1.

2.3.2 Jointly-controlled companies

A joint venture or joint operation derives from a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. In the case of joint operations (which give each party direct rights over the assets and obligations for the liabilities), the assets, liabilities, income and expenses of the joint operation are consolidated in accordance with the interests held in the joint operation. Joint ventures, which give the parties rights over the net assets, are accounted for using the equity method.

2.3.3 Companies over which Bouygues exercises significant influence

An associate is a company over which Bouygues exercises significant influence without exercising control. Significant influence is presumed to exist where Bouygues directly or indirectly holds at least 20% of the entity's voting rights.

The net profit or loss and the assets and liabilities of such entities are consolidated by the equity method.

2.4 Business combinations

Since 1 January 2010, business combinations have been accounted for in accordance with the revised IFRS 3.

In a business combination, goodwill at the acquisition date represents (i) the sum total of the consideration transferred (i.e. acquisition price) and non-controlling interests minus (ii) the net amount recognised (usually at fair value) for the identifiable assets acquired and liabilities assumed, adjusted to reflect the fair value remeasurement of any previously-acquired equity interest. The revised IFRS 3 allows entities to elect one of two methods of accounting for non-controlling interests in each business combination:

- at fair value (full goodwill method), i.e. the non-controlling interests are allocated their share of goodwill;
- at the non-controlling interests' proportionate share of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the non-controlling interests.

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an arm's length transaction between market participants as of the date of measurement.

Goodwill is allocated to the Cash Generating Unit (CGU) benefiting from the business combination or to the group of CGUs at the level of which return on investment is measured (business segment for the Bouygues group).

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the non-controlling interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Amortisation of intangible assets recognised in a purchase price allocation is charged against current operating profit, in the same way as for depreciation of property, plant and equipment.

Negative goodwill (i.e. gain from a bargain purchase) is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described in the sections on impairment testing in Note 2.7.5 ("Impairment testing of non-current assets, joint ventures and associates"), in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item. In accordance with the revised IFRS 3, the previously-held equity interest in a step acquisition is remeasured at fair value through profit or loss on the date when control is obtained. In the event of loss of control with a retained equity interest, that retained interest is remeasured at fair value; the gain or loss on remeasurement is recognised in profit or loss, along with the gain or loss arising on the disposal.

In the event of a change in percentage interest with no effect on control, the difference between the consideration transferred and the carrying amount of the non-controlling interest is recognised directly in equity attributable to the Group. Consequently, no additional goodwill is recognised.

All acquisition-related costs are recognised as an expense within current operating profit for the period.

In the event of a partial divestment of the component operations of a CGU, the Bouygues group usually allocates the goodwill in proportion to the value of the divested operation relative to the value of the CGU as measured at the date of divestment, unless it can be demonstrated that another method better reflects the goodwill of the divested operation; this policy complies with paragraph 86 of IAS 36.

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial fair value method. Non-controlling interests are measured on the basis of the carrying amount of the relevant items as shown in the balance sheet of the acquired entity.

2.5 Foreign currency translation

2.5.1 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate. Translation differences are recognised in profit or loss for the period. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

2.5.2 Financial statements of entities with a functional currency other than the euro

All assets and liabilities of consolidated entities with a functional currency other than the euro are translated at the closing exchange rate. Income and expenses are translated at the average exchange rate for the period. Translation differences arising from this treatment, and arising from the retranslation of a subsidiary's opening shareholders' equity at the closing exchange rate, are taken to the translation reserve (which is a component of consolidated shareholders' equity). Translation differences arising on the net investment in foreign subsidiaries and associates are recognised in shareholders' equity.

2.6 Assessment of income taxes

Deferred taxation is recognised on differences between the carrying amount and tax base of assets or liabilities, and arises as a result of:

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods;
  - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognised to the extent that it is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at the end of each reporting period;
- tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted in the relevant country by the end of the reporting period. As of 31 December 2020, the temporary differences and tax losses available for carry-forward of French entities were measured at the following rates as enacted or substantively enacted, according to the period in which they are expected to reverse:

- 28.41% for 2021;
- 25.83% for 2022 and later.

Deferred taxes are not discounted, and are reported in non-current assets and liabilities.

2.7 Non-current assets

2.7.1 Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognised on a straight-line basis over the estimated useful life of the asset.

2.7.1.1 Principal useful lives by main asset category and sector of activity

	Construction	Media	Telecoms
Mineral deposits (quarries)	[a]		
Non-operating buildings	10 to 40 years	25 to 50 years	
Industrial buildings	10 to 20 years		30 years
Plant, equipment and tooling [b]	3 to 15 years	3 to 7 years	10 to 30 years
Other property, plant and equipment (vehicles and office equipment) [b]	3 to 10 years	2 to 10 years	3 to 10 years

(a) Depreciated on the basis of the rate of depletion, up to a maximum of 40 years (Colas).
(b) Depending on the type of equipment.

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under “Other income from operations”, unless they meet the criteria for classification within “Other operating income and expenses” (see Note 2.13.2).

Depreciation periods are reviewed annually, and may be adjusted if expected use differs from previous estimates.

2.7.1.2 Grants received

Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

2.7.2 Right of use of leased assets

IFRS 16 defines the right of use under a lease as an asset that represents a lessee’s right to use an underlying asset for the lease term.

This right of use is recognised by the Bouygues group on the commencement date of the lease (the date on which the asset is made available). It is measured at cost, which includes:

- the initial amount of the lease obligation (see Note 2.11.2);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;
- an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.

The right of use asset is amortised on a straight line basis over the lease term. It is written down by means of an impairment allowance if there is an indication that it may have become impaired.

The lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

Within the Bouygues group, rights of use relate mainly to property leases contracted by the various business segments within France (generally with a lease term of nine years), and leases of radio sites and optical fibres at Bouygues Telecom.

2.7.3 Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:

- if it is separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled if the entity has the power to obtain the future economic benefits from that asset and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to annual impairment testing and are reviewed at the end of each reporting period to ensure that their useful lives are still indefinite.

Intangible assets include:

- development expenses, which are capitalised if they are expected to generate future economic benefits and can be reliably measured:
- concessions, patents and similar rights.

In accordance with IFRS, incorporation and research expenses are expensed as incurred.

Intangible assets include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period
UMTS licence	Straight line	17.5 years [a]
IAP-IRU and front fees (Indefeasible Right of Use)	Straight line	25 years
Software, IT developments, office applications	Straight line	3 to 8 years
Licence to use the 2.6 GHz, 800 MHz and 700 MHz frequencies	Straight line	20 years [b]
Licence to use 3.5 GHz frequencies	Straight line	15 years [c]

(a) UMTS licence awarded in 2002 for a 20-year period: amortised from the date on which the broadband network opened (26 May 2005). The licence fee comprises (i) a fixed component of €619m, recognised as an intangible asset on the date the licence was awarded (12 December 2002), and (ii) a variable component, calculated at 1% of sales generated by the operation of the third generation mobile network, recognised as incurred from the date on which the UMTS network opened (November 2007).

(b) The licences acquired in 2011 (2.6 GHz, for €228m) and 2012 (800 MHz, for €683m) were awarded for a 20-year period, and are being amortised from the date on which they came into service (1 October 2013), over 18 and 18.3 years respectively. The dates on which the 700 MHz frequencies are being brought into service depend on the dates of (i) transfer of digital terrestrial television transmission to the telecoms sector, (ii) opening to commercial use and (iii) rate of coverage of the population.

(c) The licences acquired in 2020 – 3.5 GHz (5G) for €602m – were awarded for a 15-year period, and are being amortised over 15 years from the date on which they came into service (1 December 2020); see Note 1.2.1.

2.7.4 Other intangible assets

Other intangible assets recognised by the Group include audiovisual rights owned by TF1.

Audiovisual rights

This item includes shares in films and audiovisual programmes produced or co-produced by TF1 SA, TF1 Films Production, TF1 Vidéo and TF1 Production; audiovisual distribution and trading rights owned by TF1 Studios and TF1 Entertainment; audiovisual rights produced by Newen; and music rights owned by TF1 group entities.

Audiovisual rights are recognised as assets, at historical cost.

Amortisation methods for the various categories of audiovisual rights are as follows:

- producer shares in French drama acquired by broadcasters: amortised on a straight-line basis over the projected period of rights exploitation, taking account of the decline in the expected value of the economic benefits from those shares;
- producer shares in French drama produced by TF1: amortised on a reducing balance basis, taking account of the decline in the expected value of the economic benefits from those shares;
- shares in film co-productions and audiovisual distribution rights: amortised on a reducing balance basis, taking account of the decline in the expected value of the economic benefit;
- audiovisual trading rights: amortised on a straight-line basis over the contract term or expected period of exploitation;
- music rights: amortised over two years, 75% of gross value in the first year and the remaining 25% in the second year.

A provision for impairment of audiovisual rights is recorded individually as required, based on an analysis of the future economic benefits derived from the rights relative to their carrying amount.

2.7.5 Impairment testing of non-current assets, joint ventures and associates

Impairment tests are carried out on the carrying amount of non-current assets and investments in joint ventures and associates if there is objective evidence that they may have become impaired.

The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least at the end of each financial year.

2.7.5.1 Impairment testing of TF1, Colas, Bouygues Telecom and Bouygues Construction

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the CGU to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment (business segment level in the case of the Bouygues group). The recoverable amount of CGUs is measured as follows:

- For TF1 and Colas, which are listed on the stock market: on the basis of the quoted share price if this exceeds the carrying amount of the assets (after allowing for a control premium where applicable); or by using the Discounted Cash Flow (DCF) method as described below, taking account of the specific characteristics of the investment.
- For Bouygues Telecom and Bouygues Construction: using the DCF method, taking account of the specific characteristics of each investment:
  - The cash flows used are derived from three-year business plans prepared by the management of the business segment and presented to the subsidiary's Board of Directors and to the Bouygues Board of Directors, with cash flows beyond the three-year plan time horizon also used where appropriate.
  - The discount rate is determined on the basis of a weighted average cost of capital, in the case of equity by reference to a panel of comparable companies, and in the case of debt by applying two alternative capital structure scenarios: 1/3 debt – 2/3 equity (scenario 1); 2/3 debt – 1/3 equity (scenario 2).
  - The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows after lease expenses and a perpetual growth rate.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet, after including right of use assets and deducting lease obligations:

- If the recoverable amount exceeds the carrying amount in both scenarios, sensitivity to each of the parameters is analysed on the basis of the two scenarios.
- If the recoverable amount is less than the carrying amount in either or both of the scenarios a more detailed analysis is performed to determine the recoverable amount, for example by using an independent valuer.

If the carrying amount in the consolidated balance sheet is greater than the recoverable amount, an impairment loss is recognised. Any such losses are allocated in the first instance to any goodwill carried in the balance sheet, and may not be subsequently reversed.

The method used to take account of IFRS 16 in impairment testing (as described above) is an accepted transitional method.

2.7.5.2 Impairment testing of investments in joint ventures and associates

Because goodwill included in the carrying amount of a joint venture or associate is not reported separately, it is not tested separately for impairment, in line with IAS 36. If the carrying amount is greater than the recoverable amount, an impairment loss is recognised. Any such losses are offset against the carrying amount of the investment, and may be subsequently reversed.

In principle, the investment in Alstom is tested for impairment using the quoted market price or, if the quoted market price gives a valuation below the carrying amount, at value in use determined using the Discounted Cash Flow (DCF) method based on projections established by Bouygues management and derived from forecasts prepared by a panel of financial analysts.

2.7.6 Other non-current financial assets

Other non-current financial assets include loans and receivables (including advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those over which the Group exercises neither control nor significant influence).

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken either to shareholders' equity in "Items not reclassifiable to profit or loss" or to the income statement in "Other financial income" or "Other financial expenses", depending on the treatment elected by the Group for each individual investment.

Fair value is the market price for listed investments, and estimated value in use for unlisted investments. Value in use is determined using the most appropriate financial criteria for each individual investment.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortised cost, determined using the effective interest method.

In the case of floating-rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

Loans and receivables are accounted for at amortised cost. In accordance with IFRS 9, an impairment allowance is recognised on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss (see Note 3.2.5).

Concession arrangements and Public-Private Partnership (PPP) contracts

The Group (Bouygues Construction and Colas) holds equity interests in entities that have entered into concession arrangements or PPP contracts. These contracts, which are accounted for in accordance with IFRIC 12, are assessed on a case by case basis.

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortised cost using the effective interest method as defined in IFRS 9.

Consequently, the receivable represents the fair value of the activity undertaken, plus cumulative interest calculated using the effective interest method, minus payments received from the grantor.

2.8 Current assets

2.8.1 Inventories

Inventories are stated at the lower of cost (first in first out or weighted average cost, depending on the nature of the business) or market price.

Where the realisable value of inventory is lower than cost, the necessary provision for impairment is recognised.

2.8.2 Property development programmes

Property development programme inventories are measured at cost; this includes land acquisition costs and taxes, construction and fitting-out costs, utilities connection costs, professional fees and ancillary costs.

All advertising costs are recognised in profit or loss as incurred.

Preliminary studies relating to property development programmes are recognised in inventory to the extent they are recoverable. If the probability of the programme being completed becomes low, especially if there is a risk of withdrawal of or appeal against building permits, the amount recognised is written down via a provision for impairment.

2.8.3 Programmes and broadcasting rights

In order to secure broadcasting schedules for future years, TF1 enters into binding contracts, sometimes for a period of several years, under which it acquires (and the other party agrees to deliver) programmes and sports transmission rights.

A programme is treated as ready for transmission and recognised in inventory when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions).

In the case of rights and programmes for which those two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), TF1 takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, these rights are not recognised in the balance sheet.

However, any advance payments made to acquire such rights are recognised within "Trade payables".

The ''Inventories'' line item includes the following programmes and broadcasting rights:

- in-house productions, made by TF1 companies for TF1 channels;
- external productions, comprising broadcasting rights acquired by TF1 channels.

The value of programmes and broadcasting rights is measured as follows:

- in-house production: overall production cost (direct costs plus a portion of indirect production costs);
- broadcasting rights and co-productions: purchase cost, less consumption for the year calculated at the end of each reporting period.

TF1 SA programmes are deemed to have been consumed on transmission. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below (unless otherwise specified in the acquisition contract):

	Type of programme		
%	Dramas with a running time of at least 52 minutes	Films, TV movies, series and cartoons	Other programmes and broadcasting rights
1st transmission	80	50	100
2nd transmission	20	50	

Based on an analysis conducted using recent historical data, patterns of consumption have changed, indicating a reduction in the future economic benefits of repeat broadcasts of series. As a result, it was decided to adjust the pattern of consumption for series from 1 January 2021 onwards, increasing the value consumed on first transmission to 67% and reducing the value consumed on second transmission to 33% for TF1 (versus 50% for each transmission up to and including 2020). Conversely, actual data from 2020 showed the value of films and TV movies on DTT, showing the benefits of making a third transmission that generates revenue equivalent to the first two (versus 50% for each of the first two transmissions previously).

"Other programmes and broadcasting rights" in the table above refers to children's programmes (other than cartoons), light entertainment, plays, factual and documentary programmes, news, sport, and dramas with a running time of less than 52 minutes.

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by the TF1 programme department. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

Programmes that have not been transmitted and the rights to which have expired are written off as a component of current operating profit, at which point any previously-recognised provisions are reversed.

Rights ordered under irrevocable contracts but not yet available for transmission are disclosed in Note 4.1, and are priced at the contractual amount or the estimated future cash outflow (in the case of output deals), less any advance payments made.

2.8.4 Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

For contracts accounted for using the percentage of completion method, trade receivables include invoices and statements issued as works are executed or services provided, and accepted by the project owner.

For Bouygues Telecom, when a subscription is sold along with a subsidised handset, this constitutes two separate performance obligations; the handset subsidy is recognised in "Trade receivables" and charged to profit or loss over the average life of the contract (see Note 2.13.1).

2.8.5 Customer contract assets

"Customer contract assets" (see Note 4.4) comprises:

- Contract origination costs (mainly at Bouygues Telecom). These are incremental costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained, and which qualify for recognition as an asset under IFRS 15. For Bouygues, this mainly applies to variable consideration paid to distributors and retailers to acquire new customers. The resulting asset is charged to profit or loss over the average life of the customer contract.
- Customer contract execution costs (mainly at Bouygues Telecom). These are line activation costs which qualify for recognition as an asset under IFRS 15; they are charged to profit or loss over the average life of the customer contract.
- Assets representing sales recognised on a percentage of completion basis where billing is contingent on the supply of other goods and services and/or on the attainment of contractually agreed milestones.

2.8.6 Other current receivables and prepaid expenses

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

2.9 Financial instruments

Some Group entities use hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

2.9.1 Risks to which the Group is exposed

2.9.1.1 Currency risk

In general, the Bouygues group has little exposure to currency risk in routine commercial transactions, given that its international operations (primarily Bouygues Construction and Colas) do not involve exports. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed. This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. Exposure to currency risk is therefore limited to contract margins, and to any design work carried out in France. The Bouygues group also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

2.9.1.2 Interest rate risk

The Group's financial expenses have low sensitivity to interest rate risk, since the bulk of debt is at fixed-rate either in the form of fixed-rate bond issues, or via a portfolio of hedging instruments that convert floating-rate debt into fixed-rate debt.

Consolidated financial expenses would be only marginally affected by fluctuations in euro interest rates, or by a divergence in interest rate trends between the euro and other major currencies.

2.9.1.3 Commodities risk

In general, the Bouygues group has little exposure to commodities risk. The main exposure is in the roads activity, which is sensitive to fluctuations in commodity prices (especially petroleum-based products); there is also some exposure to the prices of certain metals in the road safety/signalling and rail businesses. Hedges may be contracted on an as-needed basis in connection with specific contracts.

2.9.2 Principles applied to all hedging instruments

The only instruments used for hedging purposes are forward currency purchases and sales, currency swaps and purchases of currency options for hedging currency risk; interest rate swaps, future rate agreements, and purchases of caps and collars for hedging interest rate risk; cross-currency swaps for hedging currency and interest rate risk; and forward commodity purchases and sales, commodity swaps and commodity options for hedging commodities risk.

These instruments:

- are used solely for hedging purposes;
- are contracted solely with high-quality French and foreign banks;
- carry no liquidity risk in the event of reversal.

Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of hedging instruments, the selection of counterparties, and more generally the management of exposure to currency risk, interest rate risk and commodities risk.

2.9.3 Hedging rules

2.9.3.1 Foreign exchange risk

Group policy is to hedge systematically all residual currency exposure relating to commercial transactions. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions (currency derivatives are used solely for hedging purposes).

2.9.3.2 Interest rate risk

Group policy is for each business segment to hedge some or all of its financial assets and liabilities, where those are foreseeable and recurring.

The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps, over a period equivalent to that of the financial liabilities to be hedged.

As with currency risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

2.9.3.3 Commodities risk

Group policy is for each business segment to hedge some or all of the exposure to movements in commodity prices on specific contracts, primarily in the roads activity.

2.9.4 Accounting methods

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IFRS 9. Two types of accounting treatment are used:

- fair value hedges, in which changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognised symmetrically in the income statement;
- cash flow hedges, in which changes in the fair value of the hedging instrument are recognised in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion.

As required by IFRS 9, the fair value measurement of derivative financial instruments takes account of credit risk (for derivative assets) and of own credit risk (for derivative liabilities). Those components have no material impact on the Bouygues group consolidated financial statements.

2.10 Consolidated shareholders' equity

Treasury shares are deducted from consolidated shareholders' equity. If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognised at Group level.

2.10.1 Translation reserve

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero and the balance transferred to "Retained earnings". In the event of disposal of a subsidiary, associate or joint venture that prepares its accounts in a foreign currency, the cumulative translation reserve as of the date of disposal is reversed out through profit or loss, such that the gain or loss on disposal is calculated without the effect of exchange rate fluctuations.

2.10.2 Information about the management of capital

The objective of Bouygues management in managing capital is to maintain consolidated shareholders' equity at a level consistent with:

- maintaining a reasonable ratio of net debt (see Note 2.15.2) to shareholders' equity;
- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool used by the parent company to assess the financial position of each business segment and of the Group as a whole, and the effects on consolidated shareholders' equity.

Within these overall principles, Group management allows subsidiaries within each of its five segments and their parent company a degree of autonomy to manage their equity in line with their specific objectives and needs, given that equity capital requirements vary from business to business and segment to segment.

2.11 Non-current liabilities

2.11.1 Non-current debt

With the exception of derivative instruments accounted for as liabilities measured at fair value (including a counterparty risk component, which is immaterial), all other borrowings and financial liabilities are accounted for at amortised cost using the effective interest method.

Transaction costs directly attributable to the acquisition or issuance of a financial liability are offset against that liability, and amortised over the life of the liability using the effective interest method.

The portion of long-term debt due within less than one year is included in current liabilities.

2.11.2 Non-current lease obligations

In accordance with IFRS 16, on commencement of a lease the lessee recognises a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

The following amounts are included in the lease payments used to measure the obligation:

- fixed payments (including in-substance fixed payments, i.e. payments that may in form contain variability, but in substance are unavoidable);
- variable lease payments that depend on an index or a rate at the commencement date of the lease;
- payments due by the lessee under residual value guarantees;
- the exercise price of a purchase option, if that option is reasonably certain to be exercised;
- payments of penalties for terminating or not extending the lease.

During the term of the lease, the carrying amount of the lease obligation is:

- increased to reflect interest on the lease obligation, which is recognised as an expense in the income statement and calculated using the discount rate used on initial measurement; and
- reduced to reflect lease payments made.

The discount rate used to calculate the lease obligation is determined for each asset on the basis of the incremental borrowing rate at the inception date of the lease. That rate is obtained by aggregating a market rate that reflects the location, currency and lease term, and a sector-specific spread that reflects the nature of the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than 12 months. Such leases are recognised in profit or loss as and when lease payments are made. The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

As permitted by IFRS 16, the Group has not elected to apply the standard to leases of intangible assets.

The portion of long-term lease obligations due within less than one year is included in current liabilities.

2.11.3 Non-current provisions

In accordance with IAS 37, a provision is recorded at the end of the reporting period if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the Group of resources embodying economic benefits.

The amount recognised as a provision represents the Group's best estimate of the net outflow of resources.

Non-current provisions are not usually associated with the normal operating cycle of each business segment.

Non-current provisions mainly comprise:

- Provisions established to cover the uninsured portion of risks under two-year and ten-year construction contract guarantees. These provisions are recognised in line with recognition of contract revenues, based on statistical data reflecting actual experience over the long term.
- Provisions related to tax exposures (except those relating to corporate income taxes, which are recognised in "Taxes payable") and to fines levied by the competition authorities.
- Provisions for litigation, claims and foreseeable risks relating to the Group's operations, especially foreign operations, including permanent withdrawal from projects and sundry risks and liabilities.
- Provisions for site rehabilitation and decommissioning costs (e.g. quarries).

  Costs incurred as a result of a contractual obligation to remedy immediate environmental damage are covered by a provision.
- Provisions for employee benefits, which comprise:
  - Provisions for long-service awards.
  - Provisions for obligations to employees in respect of lump-sum benefits payable on retirement.

    These provisions are calculated using the projected unit credit method based on final salary, and on the basis of the collective agreement for each business segment. The calculation takes account of:

    - status, age and length of service for each employee category;
    - employee turnover, calculated on the basis of the average number of voluntary leavers by business segment, age bracket and employee category;
    - average salary and wages including bonuses and benefits in kind, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;

- a final salary inflation rate;
- a discount rate applied to the obligation over the projected period to the retirement date;
- estimated mortality, based on mortality tables.

- Provisions for pension obligations (depending on the country and terms of the pension plan).

  To cover their pension obligations, Group companies make regular payments to external bodies including public-sector and private-sector pension schemes and independent pension fund managers (defined-contribution plans). There are however some remaining defined-benefit plans still in existence, mainly at Colas and Bouygues Construction (United Kingdom, Ireland, Canada and Switzerland). These pension plans are managed by independent pension funds, and involve only a limited number of employees.

The actuarial assumptions used to measure the present value of the pension obligation and the service cost for the period in respect of defined-benefit plans represent the best estimate of the variables that will determine the final cost of the benefits. The discount rate and the rate of return on plan assets are determined by reference to the expected market rate, taking into account the estimated timing of benefit payments; the discount rate applied to the obligation is determined by reference to the market rate for high-quality corporate bonds at the end of the reporting period.

The Bouygues group recognises the effect of changes in actuarial assumptions in consolidated shareholders' equity if they relate to the pension obligation, and in profit or loss if they relate to long-service awards.

2.12 Current liabilities

2.12.1 Current provisions

Current provisions, which relate to the normal operating cycle of each segment, mainly comprise:

- provisions for construction contract risks, including risks relating to construction project companies in the form of *Sociétés en Participation* (SEPs);
- provisions for losses to completion on construction contracts, which relate to construction contracts in progress and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

2.12.2 Trade payables and other current liabilities

Because of the short-term nature of these liabilities, the carrying amounts shown in the consolidated financial statements are a reasonable estimate of market value.

2.12.3 Customer contract liabilities

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract (see Note 10.2).

2.13 Income statement

As allowed under IAS 1, the Bouygues group presents an income statement that classifies expenses by nature. In presenting its income statement, the Group has applied ANC Recommendations 2013-03 of 7 November 2013, and 2012-01 and 2012-02 of 21 December 2012.

2.13.1 Revenue recognition

The Group recognises revenue when:

- a customer contract, and the performance obligations within that contract, have been identified;
- a transaction price has been determined, and allocated between the performance obligations;
- the distinct performance obligations under the contract have been satisfied;
- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Most contracts entered into by the Group contain only a single performance obligation. However, some contracts at Bouygues Telecom (as described below) are split into two performance obligations.

Construction

Revenue from construction activities corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer or are highly probable.

Such revenue is recognised at the end of each reporting period by the percentage of completion method, using a completion rate determined by reference to progress of the works (output method) or to the cost of completed works (input method).

As soon as a loss on a contract is known and can be reliably measured, it is covered by a provision for expected losses to completion within "Current provisions" in the balance sheet. The loss is provided for in full, irrespective of the completion rate.

Property development activities

Revenues and profits are recognised using the percentage of completion method once the following conditions have been met:

- building permit with no appeal;
- signature of notarised deed of sale or development contract with the customer;
- construction contract signed (order given to start works).

The percentage of completion represents costs recognised to date (including land-related costs) as a proportion of the total estimated final cost of the project, taking account of the progress towards legal completion of the sale in the case of property sales.

Accrued expenses are recognised for finishing costs on this type of project, based on the percentage of completion; residual expenses on delivered projects are also recognised in "Trade payables".

Overheads, including sales force costs and all advertising costs, are expensed as incurred.

Telecoms activities

Bouygues Telecom generates revenue primarily from services with no handset sale; from sales of stand-alone handsets and accessories; and from sales of services with subsidised handsets.

SALES OF SERVICES WITH NO HANDSET SALE

Plans and commercial services (mobile and fixed) are invoiced one month in advance and the corresponding revenue is recognised on a straight-line basis over the service period.

Revenue from call charges other than plans, and from roaming and interconnection fees, is recognised as the service is used, based on a best estimate of the pattern of consumption.

Revenue generated by prepaid cards is recognised on sale of the card to the distributor or retailer but deferred until the card is activated, and then adjusted for unused minutes.

Services carried out on behalf of content providers in relation to SMS+ services and special numbers are not included in income and expenses for the period. Only the margin charged as consideration for the service is recognised in sales.

SALES OF STAND-ALONE HANDSETS AND ACCESSORIES

Sales of handsets and SIM cards are recognised on sale to the distributor or retailer, but the margin on the sale is eliminated until the line is activated by the customer. Since August 2013, retail and business customers have been able to pay for their handsets in instalments; the entire revenue from the sale of the handset is recognised when the customer signs up to the plan.

SALES OF SERVICES WITH SUBSIDISED HANDSETS

When the sale of a handset is accompanied by the customer subscribing to a plan, the handset sale is accounted for by recognising a trade receivable in the balance sheet for the amount of the subsidy, i.e. the difference between (i) the price paid by the customer on initial subscription and (ii) the transaction price. This asset is charged to profit or loss over the average life of the contract.

2.13.2 Other operating income and expenses

These line items contain a very limited number of income and expense items, which are unusual and occur infrequently but are of particularly large amounts. The Group reports these items separately in its income statement to give users of the financial statements a better understanding of ongoing operational performance.

For a description of these items, refer to Note 13.

2.13.3 Share-based payment

In accordance with IFRS 2, stock subscription options granted to corporate officers or employees of the Group are accounted for in the financial statements as follows: the fair value of the options granted (corresponding to the fair value of the services rendered by the employees as consideration for the options) is recognised as an employee benefit over the vesting period of the rights under “Personnel costs” in the income statement, with the matching entry credited to shareholders' equity.

The amount of the employee benefit is measured at the grant date of the option using the Black & Scholes model.

2.14 Cash flow statement

The cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendation 2013-03 of 7 November 2013 (using the indirect method). The cash flow statement explains changes in the Group’s net cash position, which is defined as the net total of the following balance sheet items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings.

2.15 Other financial indicators

2.15.1 EBITDA after Leases

“EBITDA after Leases” equates to current operating profit after taking account of interest expense on lease obligations, before (i) net charges for depreciation, amortisation and impairment on property, plant and equipment and intangible assets, (ii) net charges to provisions and other impairment losses, and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests.

“Other income from operations” and “Other expenses from operations”, which are a component of current operating profit, mainly comprise:

- net foreign exchange differences on commercial transactions;
- gains and losses on disposals of non-current assets;
- profits and losses from joint operations, representing the Group’s share of profits or losses from non-consolidated companies such as *Sociétés en Participation* (SEPs), for example those that operate asphalt and binder production facilities;
- royalties from the licensing of patents; and
- revenue from sales of raw material (bitumen) by Colas subsidiaries to asphalt and emulsion entities in the form of SEPs or economic interest groupings that subsequently sell the asphalt and emulsion back to Colas subsidiaries (with the expense recognised in “Purchases used in production”).

2.15.2 Net debt/Net surplus cash

Net debt (or net surplus cash) is obtained by aggregating the following items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings.
- non-current and current debt;
- financial instruments (used to hedge financial liabilities measured at fair value).

Net debt/net surplus cash does not include non-current and current lease obligations.

A positive figure represents net surplus cash and a negative figure represents net debt.

2.15.3 Free cash flow

Free cash flow is defined as net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements related to operating activities.

2.15.4 Changes in working capital requirements related to operating activities

"Changes in working capital requirements related to operating activities" as presented in the cash flow statement is obtained by aggregating net changes in:

- inventories and work in progress;
- advances and down-payments made on orders;
- trade receivables;
- customer contract assets;
- trade payables;
- customer contract liabilities;
- current provisions;
- other current asset and liability items, excluding (i) income taxes; (ii) net cash and cash equivalents and current debt; (iii) hedging instruments; (iv) current lease obligations; and (v) receivables and liabilities related to property, plant and equipment and intangible assets.

Note 3 Non-current assets

3.1 Acquisitions of non-current assets during the year, net of disposals

	2020	2019
Property, plant and equipment	1,686	1,529
Intangible assets	962	324
Capital expenditure	**2,648**	**1,853**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	941[a]	231[c]
Acquisitions of non-current assets	**3,589**	**2,084**
Disposals of non-current assets	(1,076)[b]	(1,447)[d]
Acquisitions of non-current assets, net of disposals	**2,513**	**637**

(a) Includes €842m of investments made by Bouygues Telecom, mainly as a result of the acquisition of EIT (€824m) and the creation of Nexloop France (€15m) and Phoenix France Infrastructures (€3m).

(b) Disposals during 2020 mainly comprise the partial divestment (4.8%) of the equity interest in Alstom for €450m net of costs, and the sale of sites and fibre optic infrastructure by Bouygues Telecom for €248m (including €185m for FTTH premises transferred to SDAIF).

(c) Includes €114m of investments made by Bouygues Telecom (primarily Keyyo for €57m and Nerim for €55m); €58m by Colas (primarily part of Skanska's operations in Poland, and the Chilean company Asfalcura); and €52m by TF1 (primarily Reel One for €30m and De Mensen for €18m).

(d) Disposals during 2019 mainly comprise the partial divestment (13%) of the equity interest in Alstom for €1,064m net of costs, and the sale of sites, towers and fibre optic infrastructure by Bouygues Telecom for €92m.

3.2 Analysis of movements in non-current assets during the period

3.2.1 Property, plant and equipment

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
Gross value					
31/12/2018	**2,672**	**13,007**	**3,352**	**513**	**19,544**
Movements during 2019					
Translation adjustments	37	87	26	2	152
Changes in scope of consolidation	23	22	13		58
Acquisitions during the period	34	909	285	301	1,529
Disposals, transfers and other movements	(38)	(557)	(334)	(280)	(1,209)
31/12/2019	**2,728**	**13,468**	**3,342**	**536**	**20,074**
Movements during 2020					
Translation adjustments	(61)	(161)	(35)	(6)	(263)
Changes in scope of consolidation	4	46	39	1	90
Acquisitions during the period	54	1,046	251	335	1,686
Disposals, transfers and other movements	(53)	(484)	(231)	(266)	(1,034)
31/12/2020	**2,672**	**13,915**	**3,366**	**600**	**20,553**
Depreciation and impairment					
31/12/2018	**(1,043)**	**(8,733)**	**(2,441)**		**(12,217)**
Movements during 2019					
Translation adjustments	(11)	(63)	(18)		(92)
Changes in scope of consolidation	(1)	1	(6)		(6)
Net expense for the period	(94)	(944)	(293)		(1,331)
Disposals, transfers and other movements	37	726	311		1,074
31/12/2019	**(1,112)**	**(9,013)**	**(2,447)**		**(12,572)**
Movements during 2020					
Translation adjustments	22	120	30		172
Changes in scope of consolidation	(1)	(7)	(16)		(24)
Net expense for the period	(89)	(998)	(281)		(1,368)
Disposals, transfers and other movements	46	472	207		725
31/12/2020	**(1,134)**	**(9,426)**	**(2,507)**		**(13,067)**
Carrying amount					
31/12/2019	**1,616**	**4,455**	**895**	**536**	**7,502**
31/12/2020	**1,538**	**4,489**	**859**	**600**	**7,486**

Operating commitments not yet recognised involving future outflows of resources

	Falling due				
	Less than 1 year	From 1 to 5 years	More than 5 years	Total 2020	Total 2019
Colas: orders in progress for plant and equipment	31	49		80	17
Bouygues Telecom: orders in progress for network equipment assets	74	220		294	395
TOTAL	**105**	**269**		**374**	**412**

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3.2.2 Right of use of leased assets

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
Gross value				
31/12/2018 restated	**1,282**	**1,446**	**209**	**2,937**
Movements during 2019				
Translation adjustments	8	6	6	20
Changes in scope of consolidation	10	4		14
New leases, lease modifications, and other lease-related movements	71	38	60	169
31/12/2019 restated	**1,371**	**1,494**	**275**	**3,140**
Movements during 2020				
Translation adjustments	(10)	(3)	(11)	(24)
Changes in scope of consolidation	(3)	3	(12)	(12)
New leases, lease modifications, and other lease-related movements	55	78	34	167
31/12/2020	**1,413**	**1,572**	**286**	**3,271**
Amortisation and impairment				
31/12/2018 restated	**(589)**	**(579)**	**(63)**	**(1,231)**
Movements during 2019				
Translation adjustments	(3)	(3)	(2)	(8)
Changes in scope of consolidation	1	(1)	1	1
Net expense for the period	(160)	(133)	(45)	(338)
New leases, lease modifications, and other lease-related movements	94	81	21	196
31/12/2019 restated	**(657)**	**(635)**	**(88)**	**(1,380)**
Movements during 2020				
Translation adjustments	4	1	4	9
Changes in scope of consolidation	2		(1)	1
Net expense for the period	(163)	(152)	(44)	(359)
New leases, lease modifications, and other lease-related movements	83	30	13	126
31/12/2020	**(731)**	**(756)**	**(116)**	**(1,603)**
Carrying amount				
31/12/2019 restated	**714**	**859**	**187**	**1,760**
31/12/2020	**682**	**816**	**170**	**1,668**

3.2.3 Intangible assets

	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31/12/2018	**357**	**3,144**	**3,319**	**6,820**
Movements during 2019				
Translation adjustments		3	9	12
Changes in scope of consolidation	4	(4)	101	101
Acquisitions during the period	66	29	229	324
Disposals, transfers and other movements	6	166	(108)	64
31/12/2019	**433**	**3,338**	**3,550**	**7,321**
Movements during 2020				
Translation adjustments		(4)	(12)	(16)
Changes in scope of consolidation		4	11	15
Acquisitions during the period	68	641	253	962
Disposals, transfers and other movements		4	3	7
31/12/2020	**501**	**3,983**	**3,805**	**8,289**
Amortisation and impairment				
31/12/2018	**(206)**	**(1,622)**	**(2,794)**	**(4,622)**
Movements during 2019				
Translation adjustments		(2)	(2)	(4)
Changes in scope of consolidation	(3)	5	(59)	(57)
Net expense for the period	(33)	(173)	(276)	(482)
Disposals, transfers and other movements		8	13	21
31/12/2019	**(242)**	**(1,784)**	**(3,118)**	**(5,144)**
Movements during 2020				
Translation adjustments		4	3	7
Changes in scope of consolidation		(4)		(4)
Net expense for the period	(38)	(195)	(248)	(481)
Disposals, transfers and other movements		7	20	27
31/12/2020	**(280)**	**(1,972)**	**(3,343)**	**(5,595)**
Carrying amount				
31/12/2019	**191**	**1,554**	**432**	**2,177**
31/12/2020	**221**	**2,011** [b]	**462** [c]	**2,694**

(a) Software development expenses are generally capitalised (applies mainly to Bouygues Telecom), while development expenses of a permanent and recurring nature that do not meet the IAS 38 capitalisation criteria are expensed (applies mainly to Colas).
In accordance with IFRS, research costs are expensed as incurred. Research and development costs expensed were €62m in 2020 and €63m in 2019.
(b) Includes for Bouygues Telecom: €70m for the UMTS licence, €622m for the 2.6 GHz and 800 MHz frequency user licence, €433m for the 700 MHz user licence, and €599m (excluding spectrum clearing costs) for the 3.5 GHz user licence (see Note 1.2.1).
(c) Includes €199m for audiovisual rights at TF1.

Acquisitions made during the period include €608m invested in 3.5 GHz (5G) frequencies, including spectrum clearing costs.

Operating commitments not yet recognised involving future outflows of resources

The table below shows the maturities of audiovisual rights acquisition contracts entered into by TF1 for the purpose of securing future programming schedules.

	Falling due				
	Less than 1 year	From 1 to 5 years	More than 5 years	Total 2020	Total 2019
Audiovisual rights	26	6		32	42
TOTAL	**26**	**6**		**32**	**42**

3.2.4 Goodwill

	Gross value	Impairment	Carrying amount
31/12/2018	**6,368**	**(67)**	**6,301**
Movements during 2019			
Changes in scope of consolidation	179	17	196
Impairment losses		(2)	(2)
Other movements (including translation adjustments)	46		46
31/12/2019	**6,593**	**(52)**	**6,541**
Movements during 2020			
Changes in scope of consolidation	779		779
Impairment losses		(60)	(60)
Other movements (including translation adjustments)	(28)		(28)
31/12/2020	**7,344**	**(112)**	**7,232**

For 2020, the "Changes in scope of consolidation" line mainly comprises goodwill of €756 million on the acquisition of EIT by Bouygues Telecom.

The table below shows how provisional or final goodwill as of 31 December 2020 was determined for significant acquisitions made since 31 December 2019 (including adjustments made during the twelve-month purchase price allocation period).

	De Mensen	Reel One	Nerim	EIT
CGU	**TF1**	**TF1**	**Bouygues Telecom**	**Bouygues Telecom**
Purchase price (I)	**19**	**31**	**55**	**824**
Net assets acquired, excluding goodwill (II)				
Non-current assets	(10)	(20)	(13)	(59)
Current assets	(20)	(55)	(6)	(109)
Non-current liabilities	2			5
Current liabilities	22	50	9	110
Purchase price allocation (III)				
Remeasurement of acquired intangible assets	(4)	(13)	(9)	
Remeasurement of acquired property, plant and equipment				
Other remeasurements (including deferred taxes)	1	3	3	(15)
Unacquired portion	**4**	**17**		
Goodwill (I)+(II)+(III)	**14**[a]	**13**[a]	**39**[a]	**756**
Translation adjustments				
Goodwill at 31/12/2020	14	13	39	756

(a) Provisional goodwill that became final during 2020.

Impairment losses of €60 million were recognised in 2020. These mainly related to the Unify division of TF1, against which impairment losses of €75 million were charged during the period. Of that amount, €58 million was allocated to goodwill, and €17 million to brands. In the event of a 10% reduction in normative flows combined with an increase in the discount rate from 9.01% to 9.51%, the recoverable amount of the Unify division would be €39 million lower than the carrying amount.

For goodwill on joint ventures and associates, see Note 3.2.6 to the consolidated financial statements.

3.2.4.1 Consolidated carrying amount of listed shares as of 31 December 2020

€	Consolidated carrying amount per share	Closing market price per share on 31/12/2020
Colas	98.43	123.50
TF1	13.74	6.59

3.2.4.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	31/12/2020 Total	31/12/2020 Bouygues or subsidiaries (%)	31/12/2019 Total	31/12/2019 Bouygues or subsidiaries (%)
Bouygues Construction [a]	1,079	99.97	1,088	99.97
Colas [b]	1,319	96.87	1,316	96.66
TF1 [b]	1,355	43.70	1,414	43.73
Bouygues Telecom [b]	3,479	90.53	2,723	90.53
TOTAL	**7,232**		**6,541**	

(a) Only includes goodwill on subsidiaries acquired by the CGU.

(b) Includes goodwill on subsidiaries acquired by the CGU and on acquisitions made at parent company (Bouygues SA) level for the CGU.

INFORMATION ABOUT IMPAIRMENT TESTING OF GOODWILL AS OF 31 DECEMBER 2020

- The recoverable amounts of Bouygues Construction, Bouygues Telecom, TF1 and Colas were determined using the method described in Note 2.7.5.1, based on three-year cash flow projections corresponding to the business plans of each of the four segments as presented to the Board of Directors at entity and Bouygues SA level, and for Bouygues Telecom based on cash flow projections extended out by a further three years to reflect the new “Ambition 2026” strategic plan as outlined below.
  - Cash flows beyond the projection period were extrapolated using a perpetual growth rate.
  - The discount rates (weighted average cost of capital) and growth rates used as of 31 December 2020 were as follows:

%	Discount rate Scenario 1 [a]	Discount rate Scenario 2 [a]	Perpetual growth rate
Bouygues Construction	6.9	6.5	2.0
Colas	8.1	7.5	2.0
TF1	7.4	6.9	1.3
Bouygues Telecom	4.4	4.2	2.0

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

Impairment tests conducted during 2020 in the context of the Covid-19 crisis did not indicate any evidence that the goodwill of the Bouygues group had become impaired.

As of 31 December 2020, the recoverable amount substantially exceeded the carrying amount of the assets for Bouygues Construction and Colas; consequently, sensitivity analyses are presented for TF1 and Bouygues Telecom only.

- The business plans used for TF1 were prepared on the basis of revenue growth rates and operating margins consistent with actual performances over the previous five years. Those business plans take account of factors including:
  - the impacts on advertising spend of the economic situation and competitive environment, and of trends in how content is consumed;
  - the acceleration of the transformation of TF1, and the organic growth of its activities;
  - the ongoing implementation of a resolutely multi-channel, multi-media and multi-line strategy that allies mass audience power with targeting across all platforms, plus the expansion of production activities and the development of new monetisation techniques, involving:
    - securing the stream of core business TV content (including news) and advertising,
    - leveraging a high-powered online offer, largely through a recovery strategy for Digital;
    - ongoing build-up of Newen to reinforce the production and distribution side, in France and internationally;
    - opening up new distribution channels (platformization, OTT) via the MYTF1 site and involvement in the Salto project.
- Normative cash flows for Bouygues Telecom were determined on the basis of the three-year business plan and the “Ambition 2026” strategic plan. That plan translates Bouygues Telecom's objective of securing a customer reputation as the no.2 mobile operator, adding a further three million FTTH customers, doubling its market share in B2B fixed line, and becoming a player in wholesale fixed line. The following assumptions were used in calculating future cash flows:
  - acceleration in mobile during 2021, capitalising on the integration of EIT and on the FTTH market, translating into:
    - sales from services up by approximately 5% in 2021;
    - growth of approximately 5% in EBITDA after Leases, including EIT;
    - approximately €1.3 billion of capital expenditure (excluding 5G frequencies);
  - further growth in mobile and FTTH beyond 2021, and development of B2B, B2C and wholesale fixed line offers, with the aim of achieving in 2026:
    - sales from services of over €7 billion;
    - EBITDA after Leases of approximately €2.5 billion, with an EBITDA after Leases margin in the region of 35%;
    - free cash flow before changes in working capital requirements related to operating activities (excluding 5G frequencies) of approximately €600 million.

SENSITIVITY ANALYSIS OF ASSUMPTIONS USED

For the TF1 and Bouygues Telecom CGUs, sensitivity analyses were performed to determine the sensitivity of the calculation to key parameters (discount rates, growth rates, normative cash flows), either individually or using combined scenarios for discount rates and normative cash flows (including reasonably possible changes in normative cash flows).

For those CGUs, the recoverable amount would equal the carrying amount of the assets tested if the assumptions shown below (taken individually) were to be applied:

	Discount rate	Change in normative cash flows		Perpetual growth rate	
%	Scenario 1/Scenario 2 [a]	Scenario 1 [a]	Scenario 2 [a]	Scenario 1 [a]	Scenario 2 [a]
TF1	8.5	(18.0)	(25.5)	0.1	(0.5)
Bouygues Telecom	5.9	(41.9)	(47.3)	0.3	0.1

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

For TF1, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be lower than the carrying amount by €201 million under scenario 1, and by €124 million under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would be greater than the carrying amount by €102 million under scenario 1 and by €211 million under scenario 2.

For Bouygues Telecom, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be €636 million lower than the carrying amount under scenario 1, and €88 million lower than the carrying amount under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would be greater than the carrying amount by €1,666 million under scenario 1 and by €2,381 million under scenario 2.

CONCLUSION ON IMPAIRMENT TESTING

For all the CGUs tested, the recoverable amounts determined under both capital structure scenarios remain greater than the carrying amount of the assets. Consequently, we have not performed a more in-depth estimate of the recoverable amounts of the CGUs.

3.2.5 Other non-current assets

As of 31 December 2020, these comprised:

- investments in joint ventures and associates accounted for by the equity method: €1,542 million;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.): €529 million;
- deferred tax assets: €346 million.

	Investments in joint ventures and associates	Investments in non-consolidated companies[a]	Other non-current financial assets[a]	Total	Amortisation and impairment	Carrying amount	Deferred tax assets
31/12/2018	**2,668**	**110**	**464**	**3,242**	**(73)**	**3,169**	**326**
Movements during 2019							
Translation adjustments	89		5	94		94	2
Changes in scope of consolidation	(1,072)	7	12	(1,053)		(1,053)	2
Acquisitions and other increases		6		6		6	
Amortisation, impairment and changes in fair value, net		(17)		(17)	(2)	(19)	
Disposals and other reductions		(15)		(15)		(15)	
Transfers and other movements	(92)	(2)	(45)	(139)		(139)	12
31/12/2019	**1,593**	**89**	**436**	**2,118**	**(75)**	**2,043**	**342**
AMORTISATION & IMPAIRMENT	**(37)**		**(38)**	**(75)**			
CARRYING AMOUNT 31/12/2019	**1,556**	**89**	**398**	**2,043**			**342**

(a) Items presented within "Other non-current financial assets" in the consolidated balance sheet.

	Investments in joint ventures and associates[a]	Investments in non-consolidated companies[b]	Other non-current financial assets[b]	Total	Amortisation and impairment	Carrying amount	Deferred tax assets[c]
31/12/2019	**1,593**	**89**	**436**	**2,118**	**(75)**	**2,043**	**342**
Movements during 2020							
Translation adjustments	(21)		(15)	(36)	2	(34)	(2)
Changes in scope of consolidation	(159)	(1)	13	(147)	1	(146)	18
Acquisitions and other increases		4	7	11		11	
Amortisation, impairment and changes in fair value, net		(12)		(12)	(4)	(16)	
Disposals and other reductions		(5)		(5)		(5)	
Transfers and other movements	177	1	41	219	(1)	218	(12)
31/12/2020	**1,590[d]**	**76**	**482**	**2,148**	**(77)**	**2,071**	**346**
AMORTISATION & IMPAIRMENT	**(48)**		**(29)**	**(77)**			
CARRYING AMOUNT 31/12/2020	**1,542**	**76**	**453**	**2,071**			**346**

(a) Includes goodwill on associates: €387m as of 31 December 2020.
(b) Items presented within “Other non-current financial assets” in the consolidated balance sheet.
(c) See Note 7.
(d) Includes Alstom (€711m) and SDAIF (€286m); see Note 3.2.6.2.

3.2.6 Investments in joint ventures and associates

	Share of net assets held	Share of profit/(loss) for period[a]	Goodwill on joint ventures & associates	Carrying amount
31/12/2018	**1,309**	**304**	**1,020**	**2,633**
Movements during 2019				
Net profit/(loss) for the period		352	(2)	350
Translation adjustments	89			89
Other income and expense recognised directly in equity	(93)			(93)
Net profit/(loss) and recognised income/(expense) for the period	**(4)**	**352**	**(2)**	**346**
Appropriation of prior-year profit, dividends distributed, acquisitions and capital increases, disposals, transfers and other movements	(711)	(304)	(408)	(1,423)
31/12/2019	**594**	**352**	**610**	**1,556**
Movements during 2020				
Net profit/(loss) for the period		228	(12)	216
Translation adjustments	(17)		(3)	(20)
Other income and expense recognised directly in equity	(35)			(35)
Net profit/(loss) and recognised income/(expense) for the period	**(52)**	**228**	**(15)**	**161**
Appropriation of prior-year profit, dividends distributed, acquisitions and capital increases, disposals, transfers and other movements	385	(352)	(208)	(175)
31/12/2020	**927**	**228**	**387**	**1,542[b]**

(a) Excluding impairment losses on goodwill.
(b) Includes Alstom (€711m) and SDAIF (€286m); see Note 3.2.6.2.

A list of the principal joint ventures and associates in which the Bouygues group holds an interest is provided in Note 24.

The carrying amount of investments in joint ventures and associates decreased by €14 million in the period. That net change mainly comprises (i) €295 million for the first-time inclusion of SDAIF in the Bouygues Telecom scope of consolidation, and (ii) a reduction of €263 million in the carrying amount of the investment in Alstom, due primarily to the corporate actions involving Alstom during the year.

As of 31 December 2020, the total carrying amount of €1,542 million included €344 million for joint ventures (Note 3.2.6.1) and €1,198 million for investments in associates (Note 3.2.6.2).

3.2.6.1 Joint ventures

	31/12/2019	Net movement in 2020	31/12/2020	of which: share of profit/loss and impairment losses
Miscellaneous joint ventures	280	(7)	273	4
Axione	83	(12)	71	47
TOTAL	**363**	**(19)**	**344**	**51**

"Miscellaneous joint ventures" are mainly industrial entities (quarries, emulsion plants) operated jointly by Colas and partners from outside the Bouygues group.

3.2.6.2 Investments in associates

	31/12/2019	Net movement in 2020	31/12/2020	of which: share of profit/loss and impairment losses
Alstom	974	(263)	711	169
Bouygues Construction				
Concession companies	9	(4)	5	(4)
Miscellaneous associates	3	1	4	1
Colas				
Tipco Asphalt (Thailand)	131	(1)	130	30
Mak Mecsek zrt (Hungary)	36		36	3
Miscellaneous associates	27	(8)	19	(7)
TF1				
Miscellaneous associates	2	(2)		(12)
Bouygues Telecom				
SDAIF		286	286	(14)
Miscellaneous associates		(2)	(2)	(1)
Bouygues Immobilier				
Miscellaneous associates	11	(2)	9	
TOTAL	**1,193**	**5**	**1,198**	**165**

Alstom

Alstom's €169 million contribution to the net profit of Bouygues for the 2020 financial year includes (i) €51 million for Bouygues' share of the results published by Alstom for the second half of its 2019/2020 financial year and the first half of its 2020/2021 financial year; (ii) a net gain of €87 million on the divestment by Bouygues of a 4.8% equity interest in Alstom; and (iii) a gain on dilution of €31 million arising from the rights issue carried out by Alstom in the fourth quarter of 2020 (see Note 1.2.1). The carrying amount of the interest in Alstom as of 31 December 2020 was €711 million, including €253 million of goodwill and €35 million of non-depreciable fair value adjustments relating mainly to the Alstom brand name. That compares with €974 million as of 31 December 2019.

The consolidated carrying amount per share as of 31 December 2020 was €30.13, below the quoted market price of €46.61 as of 31 December 2020.

Summary information about the assets, liabilities, income and expenses of Alstom is provided below:

	Alstom	
Amounts shown are for 100% of investee	**30/09/2020**	**31/03/2020**
Non-current assets	4,470	4,628
Current assets	8,234	8,380
Held-for-sale assets	240	
TOTAL ASSETS	**12,944**	**13,008**
Shareholders' equity	3,341	3,328
Non-current liabilities	1,901	1,905
Current liabilities	7,407	7,775
Liabilities related to held-for-sale assets	295	
TOTAL LIABILITIES	**12,944**	**13,008**
SALES	**3,518**	**8,201**
ADJUSTED OPERATING PROFIT	**263**	**630**
NET PROFIT	**175**	**474**
NET PROFIT ATTRIBUTABLE TO THE GROUP	**170**	**467**

Reconciliation of shareholders' equity to the carrying amount of the interest held by the Bouygues group:

	31/12/2020	31/12/2019
ALSTOM: SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AS PUBLISHED	**3,281**	**3,072**
Alstom rights issue carried out to finance the acquisition of Bombardier Transportation in the fourth quarter of 2020	**2,008**	
Share attributable to Bouygues (7.99% as of 31/12/2020)	**423**	**451**
Fair value remeasurements and goodwill recognised at Bouygues group level	288	523
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS	**711**	**974**

Given the time-lag between the financial year-ends of Alstom (31 March) and Bouygues (31 December) and in the dates of publication, the amounts reported as of 31 December 2020 are based on the figures published by Alstom as of 30 September 2020.

INFORMATION ABOUT IMPAIRMENT TESTING OF THE INVESTMENT IN ALSTOM AS OF 31 DECEMBER 2020

At the end of 2020, given that the quoted market price as of 31 December 2020 (€46.61) was 55% higher than the consolidated carrying amount (€30.13), no DCF calculation was performed. That approach is supported by the €52.30 three-month median consensus forecast for the Alstom share price as of 15 February 2021.

CONCLUSION ON IMPAIRMENT TESTING

The recoverable amount determined on the basis of the quoted market price as of 31 December 2020 is greater than the carrying amount of the Bouygues group's investment in Alstom. No impairment loss is required.

SDAIF

The investment in SDAIF had a carrying amount of €286 million in the Bouygues consolidated balance sheet as of 31 December 2020, including €14 million for the share of SDAIF's net loss for the period.

Summary information about the principal assets, liabilities, income and expenses of SDAIF is provided below:

	SDAIF
Amounts shown are for 100% of investee	**31/12/2020**
Non-current assets	1,324
Current assets	301
Held-for-sale assets	
TOTAL ASSETS	**1,625**
Shareholders' equity	583
Non-current liabilities	896 [a]
Current liabilities	146
Liabilities related to held-for-sale assets	
TOTAL LIABILITIES	**1,625**
SALES	**16**
NET PROFIT	**(28)**

(a) Includes €835m of non-current debt.

Reconciliation of shareholders' equity to the carrying amount of the interest held by the Bouygues group:

	31/12/2020
SDAIF: SHAREHOLDERS' EQUITY	**583**
Share attributable to Bouygues (49% as of 31/12/2020)	**286**
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS	**286**

3.2.7 Investments in non-consolidated companies and other non-current financial assets

The table below shows the principal investments in non-consolidated companies as of 31 December:

	31/12/2020		31/12/2019	
Investment	**Fair value**	**% interest**	**Fair value**	**% interest**
French companies				
Bouygues Construction				
Bouygues Construction Airport Concessions Europe SAS	3	51	6	51
Colas				
Asphalt, binder and quarry companies [a]	14		8	
TF1				
Studio71	0	6	9	6
SUB-TOTAL	**17**		**23**	
Foreign companies				
Bouygues Construction				
Cross Yarra Partnership (Australia)	16	10	16	10
Ravinala Airport SA (Madagascar)	2	10	2	10
TF1				
Wibbitz (Israel)			0	7.84
Colas				
Asphalt, binder and quarry companies [a]			1	
SUB-TOTAL	**18**		**19**	
Other investments [a]	**41**		**47**	
TOTAL	**76**		**89**	

(a) The information provided for "Asphalt, binder and quarry companies" and "Other investments" relates to a large number of companies, for which individual information is not disclosed on grounds of immateriality.

The net change in investments in non-consolidated companies during 2020 was a decrease of €13 million. The main movements in the year were fair value remeasurements via equity of TF1's investment in Studio71, and Bouygues Construction's interest in Airport Concessions Europe SAS.

The table below shows information about other financial non-current financial assets as of 31 December:

	31/12/2020	31/12/2019
Advances to non-consolidated companies	88	81
Loans receivable	232	186
• Deposits and caution money paid (net)	99	103
• Mutual funds	30	24
• Other investments with carrying amounts of less than €2 million individually	4	4
Other long-term investments	133	131
Other non-current financial assets	**453**	**398**

Analysis of investments in non-consolidated companies and other non-current financial assets (excluding joint ventures and associates) by category

	Financial assets at fair value through OCI [a] [b]	Financial assets at fair value through profit or loss [c]	Financial assets at amortised cost [d]	Total
31/12/2019	**49**	**69**	**369**	**487**
Movements during 2020	(10)	2	50	42
31/12/2020	**39**	**71**	**419**	**529**
Due within less than 1 year			13	13
Due within 1 to 5 years			102	102
Due after more than 5 years	39	71	304	414

(a) Mainly relates to investments in non-consolidated companies (€12m at 31 December 2020) and other long-term investments (€27m at 31 December 2020), which are measured at value in use (level 3 in the fair value hierarchy).
(b) Movements recognised in "Other Comprehensive Income" (consolidated statement of recognised income and expense).
(c) Mainly relates to investments in non-consolidated companies (€64m at 31 December 2020), which are measured at value in use (level 3 in the fair value hierarchy).
(d) Includes financial receivables relating to Public-Private Partnership (PPP) activities.

Fair value of financial assets and financial liabilities

Under IFRS 13, the fair value hierarchy that reflects the significance of the inputs used in making fair value measurements has three levels:

- level 1 (unadjusted quoted prices): price accessible to the entity on the date of measurement in active markets, for identical assets or liabilities;
- level 2 (observable inputs): inputs relating to the asset or liability, other than quoted market prices classified as level 1 inputs, that are observable either directly (such as a price) or indirectly (i.e. derived from observable prices);
- level 3 (unobservable inputs): inputs that are not observable on markets, including observable inputs that require significant adjustment (for example, extrapolation of yield curves over long, unobservable periods). Within the Bouygues group, this applies mainly to investments in non-consolidated companies.

	LEVEL 1 Quoted prices	LEVEL 2 Observable inputs	LEVEL 3 Unobservable inputs	31/12/2020
Financial assets at fair value through OCI [a]			39	39
Financial assets at fair value through profit or loss			71	71
Net cash position	4,037			4,037
Financial instruments (net) and other current financial assets and liabilities	(3)			(3)

(a) Movements recognised in "Other Comprehensive Income" (consolidated statement of recognised income and expense).

Note 4 Current assets

4.1 Inventories

	31/12/2020			31/12/2019		
	Gross value	Impairment [a]	Carrying amount	Gross value	Impairment [a]	Carrying amount
Property development inventories	1,488	(151)	1,337	1,694	(128)	1,566
Raw materials and finished goods	1,130	(98)	1,032	1,240	(75)	1,165
Programmes and broadcasting rights	612	(142)	470	650	(142)	508
TOTAL	**3,230**	**(391)**	**2,839**	**3,584**	**(345)**	**3,239**

(a) Includes:

	31/12/2020	31/12/2019
• impairment losses charged in the period	(155)	(106)
• impairment losses reversed in the period	105	104

(b) Includes Bouygues Immobilier: properties under construction €1,208m; completed properties €60m.

Operating commitments not yet recognised involving future outflows of resources

TF1	Falling due: Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2020	31/12/2019
Programmes and broadcasting rights	461	474	6	941	1,120
Sports transmission rights	64	77		141	171
RIGHTS ORDERED BUT NOT YET AVAILABLE FOR TRANSMISSION [a]	**525**	**551**	**6**	**1,082**	
Total 31/12/2019	522	751	18		1,291

(a) Includes contracts expressed in foreign currencies: €25m in US dollars as of 31 December 2020, €41m in US dollars as of 31 December 2019.

Bouygues Immobilier	Falling due: Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2020	31/12/2019
ACQUISITIONS OF LAND BANKS [b]	**331**	**5**		**336**	**413**
Total 31/12/2019	413				413

(b) Binding commitments signed by Bouygues Immobilier, which is committed to buy the land if the suspensive conditions (usually obtaining a building permit) are met.

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Bouygues Telecom	Falling due: Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2020	31/12/2019
AGREEMENTS TO SECURE HANDSET SUPPLIES [c]	**274**			**274**	**154**
Total 31/12/2019	154				154

(c) Handset supplies are generally secured under triennial contracts with the handset vendor that specify a minimum order quantity. The vendor commits to supplying the handsets, and Bouygues Telecom commits to buying the specified quantity.

4.2 Advances and down-payments made on orders

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	399	(1)	398	435	(1)	434

4.3 Trade receivables, tax assets and other current receivables

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	6,556	(666)	5,890	6,917	(629)	6,288
Customer contract assets	2,448		2,448	2,426		2,426
Current tax assets (receivable)	217	(4)	213	309	(2)	307
Other current receivables and prepaid expenses:						
• Employees, social security, government and other receivables	1,554	(8)	1,546	1,549	(5)	1,544
• Sundry receivables	1,235	(190)	1,045	1,132	(209)	923
• Prepaid expenses	455		455	361		361
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	**3,244**	**(198)**	**3,046**	**3,042**	**(214)**	**2,828**
TOTAL	**12,465**	**(868)**	**11,597**	**12,694**	**(845)**	**11,849**

Split of carrying amount of trade receivables between non past due and past due balances

	Non past due	Past due by: 0-6 months	6-12 months	More than 12 months	31/12/2020	31/12/2019
Trade receivables	4,063	1,106	400	987	6,556	6,917
Impairment of trade receivables	(29)	(62)	(54)	(521)	(666)	(629)
TOTAL TRADE RECEIVABLES	**4,034**	**1,044**	**346**	**466[a]**	**5,890**	
Total 31/12/2019	4,266	1,352	352	318		6,288

(a) Includes: Bouygues Construction €256 m, Colas €148m and Bouygues Telecom €49m.

Receivables more than 12 months past due and not covered by impairment allowances mainly comprise recoverable VAT and amounts netted off against trade payables. An analysis of those receivables did not reveal any further credit risk.

4.4 Customer contract assets

		Movements during 2020				Falling due	
	31/12/2019	Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2020	Less than 1 year	More than 1 year
Customer contract origination costs	239			40	279	140	139
Customer contract execution costs	396		4	144	544	55	489
Differences relating to percentage of completion on contracts [a]	1,791	(36)	(13)	(117)	1,625	1,625	
TOTAL CUSTOMER CONTRACT ASSETS	**2,426**	**(36)**	**(9)**	**67**	**2,448**	**1,820**	**628**

(a) Comprises unbilled receivables on construction contracts at Bouygues Construction, Bouygues Immobilier and Colas.

4.5 Cash and cash equivalents

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	4,003		4,003	3,055		3,055
Cash equivalents	221		221	519		519
TOTAL	**4,224**		**4,224**	**3,574**		**3,574**

(a) €215m of these cash equivalents are held by Bouygues SA.

Surplus cash is invested with high-quality French and foreign banks.

Cash equivalents are measured at fair value and are readily convertible into cash.

All investments of cash and equivalents were accessible as of 31 December 2020.

The net cash position shown in the cash flow statement breaks down by currency as follows:

	Euro	Pound sterling	Swiss franc	Other European currencies	Australian dollar	US dollar	Canadian dollar	Other currencies	Total 31/12/2020	Total 31/12/2019
Cash	2,818	194	91	73	254	144	108	321	4,003	3,055
Cash equivalents	218		1					2	221	519
Overdrafts and short-term bank borrowings	(116)		(12)	(7)	(18)			(34)	(187)	(220)
Total 31/12/2020	**2,920**	**194**	**80**	**66**	**236**	**144**	**108**	**289** [a]	**4,037**	
Total 31/12/2019	2,272	155	80	37	335	150	65	260		3,354

(a) "Other currencies" relate to the Asia-Pacific region (€179m); Africa (€93m); and the Middle East (€9m).

4.6 Analysis of depreciation, amortisation, impairment and provisions in the balance sheet and income statement

	31/12/2019	Translation adjust-ments	Change in scope of consolida-tion [a]	Charges and reversals through current operating profit: Deprecia-tion, amortisa-tion and impairment losses [b]	Charges and reversals through current operating profit: Other impairment losses & provisions, net	Reversals (unutilised)	Other impairment losses & other provisions [c]	Other movements	31/12/2020
Depreciation, amortisation & impairment of property, plant and equipment and intangible assets	(17,716)	179	(28)	(1,832)[d]			(17)	752[e]	(18,662)
Amortisation and impairment of right of use of leased assets	(1,380)	9		(359)				127[f]	(1,603)
Impairment of goodwill	(52)				(2)		(58)		(112)
Impairment of other non-current financial assets	(75)	2	1				1	(6)	(77)
SUB-TOTAL: NON-CURRENT ASSETS	**(19,223)**	**190**	**(27)**	**(2,191)**	**(2)[d]**	**[d]**	**(74)[d]**	**873**	**(20,454)**
Impairment of inventories	(345)	3	(1)		(61)	17	(6)	2	(391)
Impairment of trade receivables	(629)	11	(11)		(72)	34		1	(666)
Impairment of cash equivalents									
Impairment of other current assets (excluding tax receivable)	(214)	2			(3)	14	6	(3)	(198)
SUB-TOTAL: CURRENT ASSETS	**(1,188)**	**16**	**(12)**		**(136)**	**65**			**(1,255)**
TOTAL ASSETS	**(20,411)**	**206**	**(39)**	**(2,191)**	**(138)**	**65[g]**	**(74)**	**873**	**(21,709)**
Non-current provisions	2,167	(21)	(3)		128[d]	(88)[d]	8[d]	54	2,245
Current provisions	1,136	(22)			292	(173)	16	(7)	1,242
TOTAL LIABILITIES	**3,303**	**(43)**	**(3)**		**420**	**(261)[g]**	**24**	**47**	**3,487**

(a) Changes in scope of consolidation relate mainly to the acquisition of EIT by Bouygues Telecom.
(b) Depreciation, amortisation and impairment losses on property, plant and equipment, intangible assets, and right of use of leased assets.
(c) Recognised in "Other operating income and expenses" or "Other financial income and expenses". "Other impairment losses and provisions" include €75m of impairments losses taken against the intangible assets of TF1's Unify division, of which €17m is shown on the "Depreciation, amortisation & impairment of property, plant and equipment and intangible assets" line (brands) and €58m on the "Impairment of goodwill" line.
(d) The net aggregate amount of depreciation, amortisation, provisions and impairment charged against non-current assets is €1,956m (see the cash flow statement).
(e) Mainly a reduction in depreciation following disposals or retirements of plant and equipment, including €218m for Bouygues Construction, €306m for Colas and €198m for Bouygues Telecom.
(f) Due mainly to lease amendments, resulting in partial derecognition of right of use assets.
(g) Unutilised reversals of €326m, as shown in a footnote to the consolidated income statement.

Note 5 Consolidated shareholders' equity

5.1 Shareholders' equity at 31 December 2020 attributable to the Group and to non-controlling interests

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves and profit/(loss) for period	Items recognised directly in equity	31/12/2020
Attributable to the Group	381	2,390	809	2,446	4,672	(358)	10,340
Attributable to non-controlling interests					1,510	(47)	1,463
TOTAL SHAREHOLDERS' EQUITY	**381**	**2,390**	**809**	**2,446**	**6,182**	**(405)**	**11,803**

5.2 Share capital of Bouygues SA

As of 31 December 2020, the share capital of Bouygues SA consisted of 380,759,842 shares with a €1 par value. Movements during 2020 were as follows:

	31/12/2019	Movements during 2020		31/12/2020
		Increases	Reductions	
Shares	379,828,120	931,722		380,759,842
NUMBER OF SHARES	**379,828,120**	**931,722**		**380,759,842**
Par value	€1			€1
Share capital (€)	**379,828,120**	**931,722**		**380,759,842**

The net capital increase of €22 million (see the consolidated statement of changes in shareholders' equity) corresponds to the issuance of 931,722 shares on exercise of stock options during 2020.

5.3 Analysis of income and expenses recognised directly in equity

	Note	2020	2019
Reserve for actuarial gains/(losses)	5.3.1	(37)	(89)
Fair value remeasurement reserve: equity instruments	5.3.2	(7)	(13)
Translation reserve of controlled entities	5.3.3	(109)	52
Fair value remeasurement reserve: hedging instruments	5.3.4	8	(31)
Tax on items recognised directly in equity		13	26
Share of remeasurements of joint ventures and associates		(55)	(4)[b]
ATTRIBUTABLE TO THE GROUP		**(187)**	**(59)**
Other income and expenses attributable to non-controlling interests		(16)	(19)
TOTAL		**(203)**	**(78)**

(a) Relates mainly to Alstom (negative impact of €29m) and translation reserves at Colas and Bouygues Construction (negative impact of €19m). The €29m negative impact for Alstom includes the effect of (i) the sale of a 4.8% equity interest in Alstom and (ii) the first rights issue carried out by Alstom in connection with the acquisition of Bombardier Transportation (negative impact: €38m), the opposite entry for which was recorded in consolidation reserves (see Note 5.5).

(b) Relates mainly to Alstom (negative impact: €17m), partly offset by translation reserves at Colas and Bouygues Construction (positive impact: €9m). The €17m negative impact for Alstom includes the effect of the sale of a 13% equity interest (negative impact: €13m), the opposite entry for which was recorded in consolidation reserves.

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5.3.1 Reserve for actuarial gains and losses on employee benefits (attributable to the Group)

	31/12/2019	Movements during 2020	31/12/2020
Movement before tax (controlled entities)	(253)	(37)[a]	(290)

(a) Relates mainly to the change in the iBoxx A10+ rate in France to 0.60% as of 31 December 2020, compared with 0.92% as of 31 December 2019. The negative effect of discount rates and the asset ceiling on pensions is partly offset by an increase in the fair value of plan assets (see Note 20.3.2.1).

5.3.2 Fair value remeasurement reserve: equity instruments (attributable to the Group)

	31/12/2019	Movements during 2020	31/12/2020
Movement before tax (controlled entities)	(13)	(7)	(20)

5.3.3 Translation reserve (attributable to the Group)

The principal translation reserves as of 31 December 2020 arising on the consolidated financial statements of foreign controlled entities, joint ventures and associates reporting in the following currencies are shown in the table below. The main factor in the €129 million negative movement in the year is a decrease of €124 million in the translation reserve of Colas.

	31/12/2019	Movements during 2020	31/12/2020
US dollar	41	(38)	3
Australian dollar	1	2	3
Canadian dollar	6	(43)	(37)
Hong Kong dollar	4	(11)	(7)
Swiss franc	35	(3)	32
Pound sterling	11	(3)	8
Alstom translation reserve	(64)	(1)	(65)
Other currencies	4	(32)	(28)
TOTAL	**38**	**(129)**[a]	**(91)**

(a) Includes a negative impact of €20m for joint ventures and associates.

5.3.4 Fair value remeasurement reserve: hedging instruments (attributable to the Group)

This reserve contains movements caused by the remeasurement at fair value of financial instruments used for hedging purposes. Movements for the period are shown below:

	31/12/2019	Movements during 2020	31/12/2020
Movement before tax (controlled entities) [a]	(89)	8	(81)

(a) Mainly relates to cash flow hedges and currency hedges.

5.4 Analysis of share-based payment (attributable to the Group)

The impact on consolidated shareholders' equity of share-based payment (IFRS 2) is as follows:

	31/12/2020	31/12/2019
Transfer to reserves:		
Expense calculated for plans awarded by TF1 in the last 5 years	1	1
Expense calculated for plans awarded by Bouygues SA in the last 5 years	3	5
Expense calculated for employee benefit: Bouygues Confiance n°11 employee share ownership plan		10
TOTAL	**4**	**16**

5.5 Analysis of "Acquisitions/disposals without change of control and other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)"

The net increase of €96 million mainly reflects:

- €38 million for the impact of derecognising (i) reserves for actuarial gains and losses and (ii) equity instruments recorded in "Acquisitions/disposals without change of control and other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)" within consolidated reserves, following the sale of a 4.8% equity interest in Alstom and the first rights issue carried out by Alstom in connection with the acquisition of Bombardier Transportation (see Note 5.3); and
- €57 million for the impact of the portion of the Bouygues Telecom rights issues subscribed by JCDecaux.

Note 6 Non-current and current provisions

6.1 Non-current provisions

Non-current provisions amounted to €2,245 million as of 31 December 2020:

	Employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
31/12/2018 restated	**819**	**286**	**377**	**560**	**2,042**
Movements during 2019					
Translation adjustments	6		4	2	12
Changes in scope of consolidation	28	(1)	3	(10)	20
Charges to provisions	87	54	103	81	325
Reversals of provisions (utilised or unutilised)	(89)	(86)	(99)	(111)	(385)[e]
Actuarial gains and losses	94				94
Transfers and other movements	(5)	(1)	3	62	59
31/12/2019	**940**	**252**	**391**	**584**	**2,167**
Movements during 2020					
Translation adjustments	(5)	(3)	(6)	(7)	(21)
Changes in scope of consolidation	1			(4)	(3)
Charges to provisions	94	76	98	101	369
Reversals of provisions (utilised or unutilised)	(112)	(44)	(106)	(59)	(321)[f]
Actuarial gains and losses	47				47[g]
Transfers and other movements	(7)	1	1	12	7
31/12/2020	**958**	**282**	**378**	**627**	**2,245**

Provisions are measured on the basis of management's best estimate of the risk.

		Principal segments involved:	
(a) Employee benefits (see Note 20.2)	**958**		
Lump-sum retirement benefits	617	Bouygues Construction	326
Long-service awards	136	Colas	431
Other long-term employee benefits	205	TF1	53
		Bouygues Telecom	109
(b) Litigation and claims	**282**	Bouygues Construction	101
Provisions for customer disputes	103	Bouygues Immobilier	21
Subcontractor claims	45	Colas	101
Employee-related and other litigation and claims	134	Bouygues Telecom	54
(c) Guarantees given	**378**	Bouygues Construction	286
Provisions for 10-year construction guarantees	255	Bouygues Immobilier	23
Provisions for additional building/civil engineering/civil works guarantees	123	Colas	69
(d) Other non-current provisions	**627**	Bouygues Construction	122
Provisions for miscellaneous foreign risks	48	Colas	340
Risks relating to non-controlled entities	94	Bouygues Telecom	121
Dismantling and site rehabilitation	316		
Provisions for social security inspections	109		
Other non-current provisions	60		
(e) Including reversals of unutilised provisions in 2019	**(133)**		
(f) Including reversals of unutilised provisions in 2020	**(89)**		

(g) The corresponding figure in the consolidated statement of recognised income and expense is €42m, presented net of actuarial losses of €5m on overfunded plans (shown on the assets side of the balance sheet).

6.2 Current provisions

Provisions related to the operating cycle as of 31 December 2020 amounted to €1,242 million:

	Provisions for customer warranties	Provisions for project risks and project completion [a]	Provisions for expected losses to completion [a]	Other current provisions [b]	Total
31/12/2018 restated	**40**	**370**	**343**	**242**	**995**
Movements during 2019					
Translation adjustments	1	4	3	3	11
Changes in scope of consolidation		(1)	28	3	30
Charges to provisions	12	208	284	172	676
Reversals of provisions (utilised or unutilised)	(14)	(170)	(209)	(122)	(515)[c]
Transfers and other movements	(1)	(17)	(45)	2	(61)
31/12/2019	**38**	**394**	**404**	**300**	**1,136**
Movements during 2020					
Translation adjustments	(1)	(11)	(1)	(9)	(22)
Changes in scope of consolidation					
Charges to provisions	17	201	255	176	649
Reversals of provisions (utilised or unutilised)	(9)	(199)	(159)	(147)	(514)[d]
Transfers and other movements	(1)	(2)	(1)	(3)	(7)
31/12/2020	**44**	**383**	**498**	**317**	**1,242**

(a) Mainly Bouygues Construction and Colas.
(Individual project provisions are not disclosed for confidentiality reasons).

(b) Other current provisions:	**317**
Reinsurance provisions	38
Restructuring provisions	18
Site rehabilitation (current portion)	12
Miscellaneous current provisions	249
(c) Including reversals of unutilised provisions in 2019	**(154)**
(d) Including reversals of unutilised provisions in 2020	**(173)**

Principal segments involved:	
Bouygues Construction	145
Bouygues Immobilier	30
Colas	98
TF1	21

Note 7 Deferred tax assets and liabilities

The deferred tax assets and liabilities relating to the tax losses of the entities included in the Bouygues SA group tax election (Bouygues Construction, Bouygues Immobilier and Colas) are presented on the "Bouygues SA & other" line in the table below.

7.1 Deferred tax assets

Deferred tax assets	31/12/2019	Movements during 2020	31/12/2020
Bouygues Construction	35	16	51
Bouygues Immobilier	29	(4)	25
Colas	156	(11)	145
TF1			
Bouygues Telecom			
Group tax election: Bouygues SA & other	122	3	125
TOTAL	**342**	**4**	**346**

Deferred tax assets mainly arise from temporary differences (such as provisions temporarily non-deductible for tax purposes), and from tax losses with a genuine probability of recovery.

7.2 Deferred tax liabilities

Deferred tax liabilities	31/12/2019	Movements during 2020	31/12/2020
Bouygues Construction	12	3	15
Bouygues Immobilier	9	(4)	5
Colas	117	(17)	100
TF1	47	(12)	35
Bouygues Telecom	171	(60)	111
Group tax election: Bouygues SA & other	5	2	7
TOTAL	**361**	**(88)**	**273**

The deferred tax position as of 31 December 2020 represented a net asset of €73 million; see Note 7.3 for an analysis by business segment.

The increase of €92 million in net deferred tax assets is mainly due to a lower level of consolidation adjustments at Bouygues Telecom that generate deferred tax liabilities (provisions for customer loyalty incentives).

7.3 Net deferred tax asset/liability by business segment

Net deferred tax asset/liability by segment and type	Net deferred tax asset/ (liability) at 31/12/2019	Translation adjustments	Changes in scope of consolidation	Movements during 2020 – Gain	Movements during 2020 – Expense	Other movements[a]	Net deferred tax asset/ (liability) at 31/12/2020
A - Tax losses							
Bouygues Construction	1			10	(9)	(2)	
Bouygues Immobilier	2			4	(3)		3
Colas	6			3	(2)	(2)	5
TF1	1			3			4
Bouygues Telecom	3		15[c]		(1)	1	18
Group tax election: Bouygues SA & other	113			15	(4)	(4)	120
SUB-TOTAL	**126**		**15**	**35**	**(19)**	**(7)**	**150**
B - Temporary differences							
Bouygues Construction	22			24	(15)	5	36
Bouygues Immobilier	18					(1)	17
Colas	33	6		5		(4)	40
TF1	(48)			10		(1)	(39)
Bouygues Telecom	(174)		(4)	23	(4)	30	(129)
Group tax election: Bouygues SA & other	4			3	(8)	(1)	(2)
SUB-TOTAL	**(145)**	**6**	**(4)**	**65**	**(27)**	**28**	**(77)**
TOTAL	**(19)**	**6**	**11**	**100**	**(46)**	**21**	**73**

(a) “Other movements” include in particular deferred taxes recognised in equity (on fair value remeasurements of financial instruments, and on actuarial gains/losses on employee benefits).
(b) Overall tax loss arising on the group tax election, representing a tax base of €459m as of 31 December 2020 and expected to reverse over three years.
(c) Relates to EIT.

Principal sources of deferred taxation:	31/12/2020	31/12/2019
• Deferred tax assets on employee benefits (mainly lump-sum retirement benefits and pensions)	165	160
• Tax losses	150	126
• Restricted provisions booked solely for tax purposes	(117)	(123)
• Other items	(125)	(182)
TOTAL	**73**	**(19)**

(a) Mainly relates to deferred tax liabilities arising on consolidation adjustments.

7.4 Period to recovery of deferred tax assets

31/12/2020	Less than 2 years	2 to 5 years	More than 5 years	Total
Estimated period to recovery of deferred tax assets	143	86	117[a]	**346**

(a) Mainly deferred tax assets on employee benefits at Bouygues Construction and Colas.

7.5 Unrecognised deferred tax assets

Some deferred tax assets were not recognised as of 31 December 2020 due to the low probability of recovery (mainly tax losses generated abroad or in France by companies not included in the Bouygues SA group tax election).

	31/12/2019	Movements during 2020	31/12/2020
Bouygues Construction	212	48	260
Bouygues Immobilier	30		30
Colas	72	7	79
TF1	13	(1)	12
TOTAL	**327**	**54**	**381**

Note 8 Non-current and current debt

8.1 Interest-bearing debt by maturity

	Current debt at 31 December					Non-current debt at 31 December							
	Accrued interest	1-3m	4-12m	Total maturing in <1y 2020	Total maturing in <1y 2019	1-2y	2-3y	3-4y	4-5y	5-6y	≥6y	Total maturing after >1y 2020	Total maturing after >1y 2019
Bond issues	90			90	1,095	797	697			592	1,725	3,811	2,824
Bank borrowings		165	134	299	137	411	214	34	602	46	37	1,344	1,271
Other borrowings		15	70	85	63	102	76	75	104	5	27	389	141
TOTAL DEBT	**90**	**180**	**204**	**474**		**1,310**	**987**	**109**	**706**	**643**	**1,789**	**5,544**	
Total 31/12/2019	96	131	1,068		1,295	986	1,009	783	31	36	1,391		4,236

Non-current debt increased by €1,308 million in 2020. This mainly reflects (i) the €1 billion bond issue carried out by Bouygues SA in April 2020 and (ii) the non-current portion (€207 million) of the estimated contingent consideration payable by Bouygues Telecom in connection with the acquisition of EIT (see Note 1.2.1).

Current debt decreased by €821 million in 2020. This mainly reflects (i) the redemption by Bouygues SA of the €1 billion bond issue that matured in July 2020 and (ii) the current portion (€53 million) of the contingent consideration payable by Bouygues Telecom in connection with the acquisition of EIT (see Note 1.2.1).

The table below lists all outstanding Bouygues bond issues. The quoted price in each case is presented as a percentage of the nominal, on a full price basis (i.e. including accrued interest):

ISIN	Issue date	Maturity	Nominal value on maturity	Interest rate (%)	Quoted price at 31/12/2020, as % of nominal on full price basis[a]
FR0011193515	09/02/2012	09/02/2022	800	4.500	105.3530
FR0011332196	02/10/2012	16/01/2023	700	3.625	108.1200
FR0010379255	06/10/2006	06/10/2026	595[b]	5.500	127.8150
FR0013222494	07/12/2016	07/06/2027	750	1.375	110.0080
FR0013507654	14/04/2020	24/07/2028	1,000	1.125	108.4280
TOTAL			**3,845**		

(a) Source: Bloomberg.
(b) Equivalent value in euros of the sterling-denominated nominal value.

8.2 Confirmed credit facilities and drawdowns

	Confirmed facilities – Maturity				Drawdowns – Maturity			
Description	Less than 1 year	From 1 to 5 years	More than 5 years	Total	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Bond issues (mainly Bouygues SA)	90	1,494	2,317	3,901	90	1,494	2,317	3,901
Bank borrowings	751	8,795	95	9,641	299	1,261	83	1,643
Other borrowings	85	357	32	474	85	357	32	474
TOTAL [a]	**926**	**10,646**	**2,444**	**14,016**	**474**	**3,112**	**2,432**	**6,018**

(a) Confirmed undrawn credit facilities: €7,998m.
(b) Including Negotiable European Commercial Paper: €40m.

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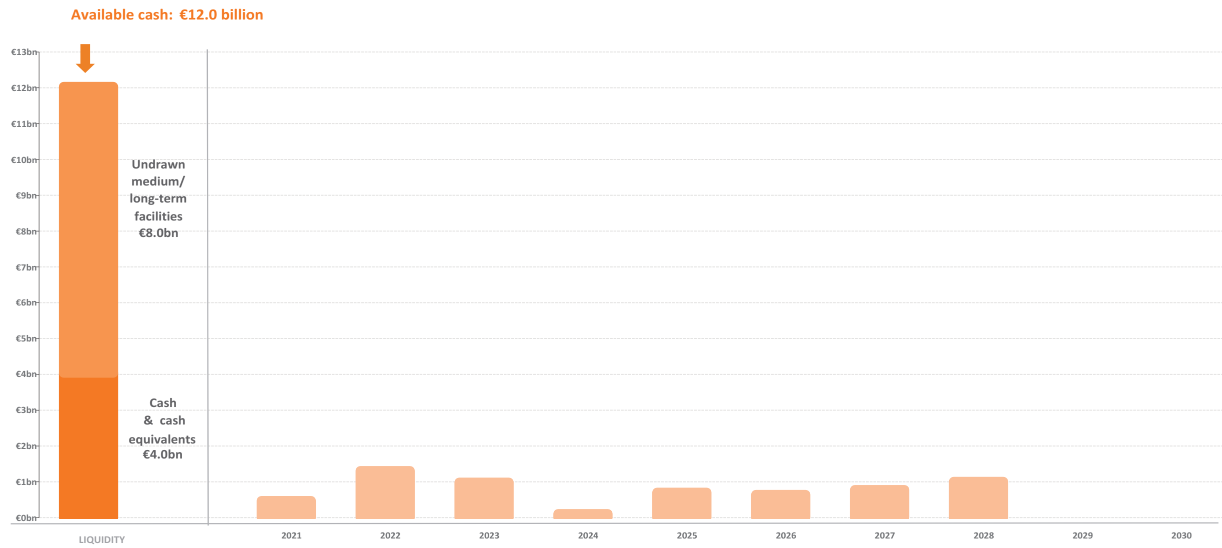
8.3 Liquidity at 31 December 2020

As of 31 December 2020, available cash stood at €4,037 million. The Group also had €7,998 million of undrawn confirmed credit facilities at the same date.

Debt maturity schedule (drawdowns) at 31 December 2020



All bond issues contain a change of control clause relating to Bouygues SA.

The bank credit facilities contracted by Bouygues SA contain no financial covenants or trigger event clauses. The same applies to facilities used by Bouygues SA subsidiaries, except for the financing obtained by Colas in Canada (drawdown of €192 million as of 31 December 2020) which temporarily includes a leveraged covenant clause based on the debt to EBITDA ratio as defined in the contract.

8.4 Split of current and non-current debt by interest rate type

Split of current and non-current debt, including the effect of all open interest rate hedges at the end of the reporting period:

%	31/12/2020	31/12/2019
Fixed rate debt [a]	69	86
Floating rate debt	31	14

(a) Rates fixed for more than one year.

8.5 Interest rate risk

The split of financial assets and financial liabilities by type of interest as of 31 December 2020 is shown below:

	Floating rate	Fixed rate	Total
Financial liabilities (debt) [a]	(2,108)	(3,910)	(6,018)
Financial assets (net cash position) [b]	4,037		4,037
Net pre-hedging position	**1,929**	**(3,910)**	**(1,981)**
Interest rate hedges	250	(250)	
Net post-hedging position	**2,179**	**(4,160)**	**(1,981)**
Adjustment for seasonal nature of some activities [c]	392	(392)	
Net post-hedging position after adjustment	**2,571**		

(a) Call options and contingent consideration recognised as financial liabilities under IFRS 9 are treated as fixed rate.
(b) The fair value of financial instruments contracted to hedge net debt is zero.
(c) At Colas, operations and cash flows from operations, are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash position over the full year, which is used as the basis for analysing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between the average cash position over the full year, and the net cash position in the balance sheet at 31 December.

The effect of an immediate 1% rise in short-term interest rates on the "net post-hedging position after adjustment" exposed to interest rate risk (as presented above) would be a deterioration in the cost of net debt of €26 million over a full year.

8.6 Split of current and non-current debt by currency

	Europe						
	Euro	Pound sterling	Other currencies	US dollar	Canadian dollar	Other currencies	Total
Non-current: 31/12/2020	**4,608**	**653**	**4**	**30**	**195**	**54**	**5,544**
Current: 31/12/2020	**431**	**16**	**5**	**4**		**18**	**474**
Non-current: 31/12/2019	3,181	897	6	37	91	24	4,236
Current: 31/12/2019	1,232	17	7		33	6	1,295

An analysis of debt by business segment is provided in Note 17.

Details by segment of collateral and pledges given by the Bouygues group are provided in Note 19.1.

Note 9 Main components of change in net debt

9.1 Change in net debt

	31/12/2019	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements	31/12/2020
Cash and cash equivalents	3,574	(57)	(1)	683		25	4,224
Overdrafts and short-term bank borrowings	(220)	(41)		99		(25)	(187)
NET CASH POSITION (A)	**3,354**	**(98)** [a]	**(1)** [a]	**782** [a]			**4,037**
Non-current debt	4,236	(41)	(1)	1,107 [b]	(13)	256	5,544
Current debt	1,295	(4)		(873) [b]	1	55	474
Financial instruments, net	45				(45)		
TOTAL DEBT (B)	**5,576**	**(45)**	**(1)**	**234**	**(57)**	**311**	**6,018**
NET DEBT (A)-(B)	**(2,222)**	**(53)**		**548**	**57** [c]	**(311)** [d]	**(1,981)**

(a) Net cash inflow of €683m, as reported in the consolidated cash flow statement.
(b) Net cash inflow for 2020 of €234m, as reported in the consolidated cash flow statement, and comprising total inflows of €2,882m and total outflows of €2,648m.
(c) Movement related mainly to the settlement of the swap used to hedge the April 2020 bond issue (see Note 1.2.1), payment of which was recorded in the cash flow statement in "Other cash flows related to financing activities".
(d) Movement related mainly to the contingent consideration on the acquisition of EIT, estimated at €260m and recognised as a financial liability.

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9.2 Principal changes in net debt during 2020

NET DEBT AT 31 DECEMBER 2019	**(2,222)**
Partial divestment (4.8%) of the equity interest in Alstom and participation in rights issue to the extent of PSRs sold (net of transaction costs)	449
Other acquisitions/disposals of consolidated activities, non-consolidated companies and other long-term investments, including changes in scope of consolidation and commitments to buy out non-controlling interests	(803)[a]
Acquisition of 5G frequencies	(87)
Transactions involving the share capital of Bouygues SA	79[b]
Bouygues Confiance n°11 2019 employee share ownership plan – amounts collected in 2020	15
Dividends paid	(687)
Operating items	1,275
NET DEBT AS 31 DECEMBER 2020	**(1,981)**

(a) Relates mainly to the acquisition of EIT by Bouygues Telecom (€827m).

(b) Relates mainly to issuance of shares by Bouygues SA on exercise of stock options (€22m) and the portion of the Bouygues Telecom rights issue subscribed by JCDecaux (€57m).

Note 10 Non-current lease and current lease obligations

10.1 Maturity analysis of lease obligations

	Current lease obligations			Non-current lease obligations						
	1 to 3 months	4 to 12 months	Total maturing in < 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 or more years	Total maturing after > 1 year
TOTAL 31/12/2020	91	268	359	293	251	214	181	130	305	1,374
TOTAL 31/12/2019 RESTATED	**89**	**272**	**361**	**299**	**262**	**223**	**186**	**149**	**332**	**1,451**

10.2 Movement in lease obligations

	31/12/2019 restated	Translation adjustments	Changes in scope of consolidation	Cash flows	New leases, lease modifications, and other lease-related movements	31/12/2020
Non-current lease obligations	1,451	(12)			(65)	1,374
Current lease obligations	361	(4)		(372)	374	359
TOTAL LEASE OBLIGATIONS	**1,812**	**(16)**		**(372)**	**309**	**1,733**

Note 11 Current liabilities

11.1 Current liabilities

	31/12/2020	31/12/2019 restated
Current debt [a]	474	1,295
Current lease obligations	359	361
Current taxes payable	165	230
Trade payables	7,200	7,394
Customer contract liabilities [b]	4,098	3,841
Current provisions [c]	1,242	1,136
Other current liabilities:		
• Other operating liabilities (employees, social security, government)	2,927	2,969
• Deferred income	81	51
• Other non-financial liabilities	2,621	1,888
Overdrafts and short-term bank borrowings	187	220
Financial instruments – Hedging of debt	11	57
Other current financial liabilities	19	23
TOTAL	**19,384**	**19,465**

(a) See analysis in Note 8.
(b) See analysis in Note 11.2.
(c) See analysis in Note 6.2.

11.2 Customer contract liabilities

		Movements during 2020			
	31/12/2019	Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2020
Advances and down-payments received on orders [a]	1,197	(39)	(9)	(85)	1,064
Differences relating to percentage of completion on contracts [b]	2,644	(33)	356 [c]	67	3,034
CUSTOMER CONTRACT LIABILITIES	**3,841**	**(72)**	**347**	**(18)**	**4,098**

(a) As of 31 December 2020, “Advances and down-payments received on orders” included €6m (€1m as of 31 December 2019) of advances received from customers on signature of deeds of sale in respect of off-plan sales under property development programmes.
These sums are not refundable and are used to finance work on the programmes; virtually all of these sums had been disbursed as of 31 December 2020.
(b) Mainly comprises deferred income on construction contracts at Bouygues Construction.
(c) This movement is due primarily to the contracts transferred in connection with the creation of SDAIF (see Note 1.2.1).

Note 12 Sales

12.1 Analysis by business segment

Sales by geographical area are allocated to the territory in which the sale is generated.

	2020 sales				2019 sales			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	4,694	7,230	11,924	34	5,216	8,033	13,249	35
Bouygues Immobilier	1,920	112	2,032	6	2,565	140	2,705	7
Colas	5,509	6,743	12,252	35	6,535	7,086	13,621	36
TF1	1,860	176	2,036	6	2,093	190	2,283	6
Bouygues Telecom	6,409		6,409	19	6,031		6,031	16
Bouygues SA & other	10	31	41		6	34	40	
CONSOLIDATED SALES	**20,402**	**14,292**	**34,694**	**100**	**22,446**	**15,483**	**37,929**	**100**

An analysis of sales by accounting classification and segment is provided in Note 17.

There were no material exchanges of goods or services in the years ended 31 December 2020 and 2019, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

12.2 Analysis by geographical area

	2020 sales		2019 sales	
	Total	%	Total	%
France	20,402	59	22,446	59
European Union (27 members)	2,336	7	2,446	7
Rest of Europe	4,201	12	4,257	11
Africa	910	3	1,060	3
Middle East	81	0	137	0
North America	3,905	11	4,189	11
Central and South America	342	1	357	1
Asia-Pacific	2,517	7	3,037	8
TOTAL	**34,694**	**100**	**37,929**	**100**

Following the withdrawal of the United Kingdom from the European Union in 2020, sales in the United Kingdom for 2019 have been reclassified to “Rest of Europe”.

The United Kingdom accounts for 53% of sales in the “Rest of Europe”, primarily in construction activities. Those operations are carried out locally within the United Kingdom, and have no material exposure to uncertainties relating to imports and exports.

12.3 Split by type of contract, France/International

	2020			2019		
%	France	International	Total	France	International	Total
Public-sector contracts [a]	28	49	36	27	48	35
Private-sector contracts	72	51	64	73	52	65

(a) Sales billed directly to government departments, local authorities or public enterprises (mainly works and maintenance contracts).

12.4 Order backlog

The Group's order backlog stood at €36,197 million as of 31 December 2020.

		Movements during 2020			
	31/12/2019	Translation adjustments	Changes in scope of consolidation	Other movements arising from operating activities	31/12/2020
Construction businesses	**33,022**	**(235)**		**333**	**33,120**
Bouygues Construction	21,600	(120)		507	21,987
Bouygues Immobilier	2,213			(232)	1,981
Colas	9,209	(115)		58	9,152
TF1	**143**			**82**	**225**
Bouygues Telecom	**2,277**		**110**[b]	**539**	**2,926**
Inter-segment adjustments	**(98)**			**24**	**(74)**
TOTAL ORDER BACKLOG	**35,344**	**(235)**	**110**	**978**	**36,197**
maturing within less than 1 year	18,989				18,732
maturing within 1 to 5 years	13,756				14,397
maturing after more than 5 years	2,599				3,068

(a) Includes an order intake of €12,726m.
(b) Relates mainly to EIT.

For Bouygues Construction and Colas, the order backlog represents the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensive conditions lifted).

For Bouygues Immobilier, the order backlog represents notarised sales not yet completed, and total revenue from all reservations signed but not yet notarised. In accordance with IFRS 11, Bouygues Immobilier excludes from the order backlog revenue from reservations taken through equity-accounted joint ventures (jointly-controlled co-promotion entities).

The TF1 order backlog represents the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect.

The Bouygues Telecom order backlog mainly comprises subscription revenue chargeable to customers up to the end of their contractually agreed term.

Note 13 Operating profit

	2020	2019
CURRENT OPERATING PROFIT	**1,222**	**1,676**
Other operating income	86	71
Other operating expenses	(184)	(51)
OPERATING PROFIT	**1,124**	**1,696**

See Note 17 for an analysis of current operating profit and operating profit by business segment.

Current operating profit for 2020 incorporates lease expenses of €950 million, which includes lease expenses relating to contracts exempt from IFRS 16 (see Note 2.11.2). The 2020 figure relates mainly to short-term leases and to leases of assets with a low as-new value at Colas and Bouygues Construction. The non-lease (service) component of lease contracts is recognised in "External charges".

Other operating income and expenses:

2020

Other operating income and expenses represented a net expense of €98 million, relating to Bouygues Construction, Bouygues Telecom, Bouygues Immobilier, Colas and TF1, and comprising:

- Bouygues Construction: €41 million of compensation received from Alpiq (see Note 1.2) net of costs, partly offset by €5 million of costs related to the cyber-attack net of insurance payouts;
- Bouygues Telecom: €39 million of gains on asset disposals (transfer of sites to Cellnex) plus €3 million of other operating income, partly offset by costs of €14 million on the roll-out of network sharing;
- Bouygues Immobilier: €11 million of restructuring costs and €6 million of impairment losses on land in Spain, following the discontinuation of residential property development operations in that country;
- Colas: €71 million of net restructuring costs related to the reorganisation of operations in France and additional dismantling costs at the Dunkirk site, partly offset by €2 million of compensation received from Alpiq (see Note 1.2);
- TF1: €75 million of impairment losses taken against the goodwill and brands of the Unify division.

2019

Other operating income and expenses represented net income of €20 million, relating to Bouygues Telecom, Colas and Bouygues Construction, and comprising:

- Bouygues Telecom: €63 million of gains on the disposal of sites and towers to Cellnex plus €4 million of other operating income, less €3 million on the roll-out of network sharing (reversals of provisions, net of charges);
- Colas: €28 million of provisions to cover additional dismantling costs at the Dunkirk site;
- Bouygues Construction: €23 million of restructuring costs.

Note 14 Cost of net debt and other financial income and expenses

14.1 Analysis of cost of net debt

	2020	2019
Financial expenses, comprising:	**(199)**	**(246)**
Interest expense on debt	(186)	(233)
Interest expense related to treasury management	(13)	(12)
Negative impact of financial instruments		(1)
Financial income, comprising:	**32**	**39**
Interest income from cash and cash equivalents	26	34
Income and gains on disposal from cash and cash equivalents	6	5
COST OF NET DEBT	**(167)**	**(207)**

See Note 17 for an analysis of cost of net debt by business segment.

Cost of net debt was €40 million lower year-on-year, reflecting both lower average indebtedness and lower interest rates on bond issues.

14.2 Other financial income and expenses

	2020	2019
Other financial income	47	84
Other financial expenses	(80)	(94)
OTHER FINANCIAL INCOME/(EXPENSES), NET	**(33)**	**(10)**

Other financial income and expenses include financial income from equity holdings, gains or losses on disposals of investments in non-consolidated companies, interest paid to investors on calls for funds (commercial property), commitment fees, changes in the fair value of "Other current financial assets", dividends received from non-consolidated companies, and other items.

Overall, net financial expense rose by €23 million year-on-year, the main factors being (i) an increase in the interest paid on calls for funds in connection with property development transactions and (ii) a lower level of fair value remeasurements of investments in non-consolidated companies than in 2019.

Note 15 Income tax expense

15.1 Analysis of income tax expense

	2020			2019		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(249)	(122)	(371)	(238)	(181)	(419)
Change in deferred tax liabilities	26	5	31	(25)	5	(20)
Change in deferred tax assets	22	1	23	(10)	(3)	(13)
TOTAL	**(201)**	**(116)**	**(317)**	**(273)**	**(179)**	**(452)**

See Note 17 for an analysis of income tax expense by business segment.

15.2 Tax proof (reconciliation between standard tax rate and effective tax rate)

Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are explained as follows:

	2020	2019
NET PROFIT FOR THE PERIOD (100%)	**770**	**1,320**
Eliminations:		
Income tax	317	452
Net profit/(loss) from discontinued operations	None	None
Share of net (profits)/losses of joint ventures and associates	(216)	(350)
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS	**871**	**1,422**
Standard annual tax rate in France	32.02%	34.43%
Effect of non-recognition of tax loss carry-forwards and other temporary differences created/(utilised)	12.28%	2.11%
Effect of permanent differences	(2.05)	1.67%
Flat-rate taxes, dividend taxes and tax credits	(1.49)%	(1.72)%
Differential tax rates applied to gains on disposals	(0.23)%	0.56%
Differential income tax rates, foreign taxes, impact of future enacted tax rates	(4.13)	(5.27)%
EFFECTIVE TAX RATE	**36.39%**	**31.79%**

The effective tax rate for 2020 was 36, versus 32% in 2019. The 2020 effective tax rate was mainly impacted by tax losses outside France for which no deferred tax asset was recognised, and by the fact that deferred taxes recognised in respect of tax losses incurred in 2020 by subsidiaries included in the Bouygues SA French group tax election were calculated using a tax rate of 25.83% (as opposed to the 32.02% rate applicable in 2020) because those losses will not start to be offset against profits until after 2021. The impact on the effective tax rate of the non-deductible impairment loss taken against the goodwill of the Unify division at TF1 offset the impact of the non-taxable compensation received from Alpiq by Bouygues Construction and Colas.

Note 16 Net profit from continuing operations and basic/diluted earnings per share

Basic earnings per share from continuing operations is calculated by dividing net profit from continuing operations attributable to the Group by the weighted average number of shares outstanding during 2020, excluding the average number of ordinary shares bought and held as treasury shares.

	2020	2019
Net profit from continuing operations attributable to the Group (€m)	696	1,184
Weighted average number of shares outstanding	380,216,641	372,761,257
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**1.83**	**3.18**

Diluted earnings per share from continuing operations is calculated by reference to the weighted average number of shares outstanding, adjusted for the conversion of all potentially dilutive shares (i.e. stock subscription options legally exercisable and in the money at the end of the reporting period).

	2020	2019
Net profit from continuing operations attributable to the Group (€m)	696	1,184
Weighted average number of shares outstanding	380,216,641	372,761,257
Adjustment for potentially dilutive effect of stock options	213,055	697,972
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**1.83**	**3.17**

Note 17 Segment information

The segment information below is presented by business segment (CGU): Bouygues Construction (Construction), Bouygues Immobilier (Property), Colas (Roads), TF1 (Media), Bouygues Telecom (Telecoms), and Bouygues SA & other.

Inter-segment sales are generally conducted on an arm's length basis.

An analysis of sales by geographical area is provided in Note 12.2.

The operating segments used in reporting by business segment are those reviewed by the chief operational decision-maker of the Group, and are not aggregated for segment reporting purposes. This information is used to allocate resources to operating segments, and to monitor their performance.

Operating segment information is compiled using the same accounting policies as used in the preparation of the consolidated financial statements, as described in the notes to the financial statements.

The "Bouygues SA and other" segment includes contributions from holding companies, and from entities dedicated to the centralised financing of the Group.

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
2020 INCOME STATEMENT							
Advertising				1,483			1,483
Sales of services	4,033	110	250	505	4,893	180	9,971
Other sales from construction businesses	7,928	1,922	9,823				19,673
Other revenues	86		2,224	94	1,545		3,949
Total sales	12,047	2,032	12,297	2,082	6,438	180	35,076
Inter-segment sales	(123)		(45)	(46)	(29)	(139)	(382)
THIRD-PARTY SALES	**11,924**	**2,032**	**12,252**	**2,036**	**6,409**	**41**	**34,694**
CURRENT OPERATING PROFIT/(LOSS)	**171**	**12**	**254**	**190**	**623**	**(28)**	**1,222**
Other operating income	41		2		42	1	86
Other operating expenses	(5)	(17)	(71)	(75)	(14)	(2)	(184)
OPERATING PROFIT/(LOSS)	**207**	**(5)**	**185**	**115**	**651**	**(29)**	**1,124**
Income from net surplus cash/(cost of net debt)	13	(1)	(27)	(1)	(10)	(141)	(167)
Interest expense on lease obligations	(10)	(1)	(15)	(3)	(24)		(53)
Income tax	(103)		(86)	(37)	(173)	82	(317)
Share of profits/(losses) of joint ventures and associates	38	**(4)**	**38**	**(11)**	**(15)**	**170**	216
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**154**	**(30)**	**94**	**54**	**417**	**81**	**770**
Net profit/(loss) from discontinued operations							
NET PROFIT/(LOSS)	**154**	**(30)**	**94**	**54**	**417**	**81**	**770**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**152**	**(29)**	**91**	**24**	**377**	**81**	**696**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
2019 INCOME STATEMENT							
Advertising				1,651			1,651
Sales of services	4,256	52	377	567	4,597	202	10,051
Other sales from construction businesses	9,019	2,654	10,750				22,423
Other revenues	80		2,561	119	1,461		4,221
Total sales	13,355	2,706	13,688	2,337	6,058	202	38,346
Inter-segment sales	(106)	(1)	(67)	(54)	(27)	(162)	(417)
THIRD-PARTY SALES	**13,249**	**2,705**	**13,621**	**2,283**	**6,031**	**40**	**37,929**
CURRENT OPERATING PROFIT/(LOSS)	**378**	**99**	**433**	**255**	**540**	**(29)**	**1,676**
Other operating income					70	1	71
Other operating expenses	(23)		(28)				(51)
OPERATING PROFIT/(LOSS)	**355**	**99**	**405**	**255**	**610**	**(28)**	**1,696**
Income from net surplus cash/(cost of net debt)	20	(2)	(33)	(2)	(12)	(178)	(207)
Interest expense on lease obligations	(11)	(2)	(15)	(4)	(25)		(57)
Income tax	(128)	(38)	(141)	(82)	(185)	122	(452)
Share of profits/(losses) of joint ventures and associates	79	(3)	43	(6)		237	350
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**326**	**47**	**261**	**155**	**379**	**152**	**1,320**
Net profit/(loss) from discontinued operations							
NET PROFIT/(LOSS)	**326**	**47**	**261**	**155**	**379**	**152**	**1,320**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**325**	**46**	**252**	**67**	**343**	**151**	**1,184**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**171**	**12**	**254**	**190**	**623**	**(28)**	**1,222**
• Interest expense on lease obligations	(10)	(1)	(15)	(3)	(24)		(53)
Elimination of net depreciation/amortisation expense and net charges to provisions and impairment losses:							
• Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	218	10	442	261	891	10	1,832
• Charges to provisions and other impairment losses, net of reversals due to utilisation	244	38	237	17	25	(3)	558
Elimination of items included in "Other income from operations":							
• Reversals of unutilised provisions and impairment and other items	(199)	(12)	(89)	(11)	(13)	(2)	(326)
EBITDA AFTER LEASES 2020	**424**	**47**	**829**	**454**	**1,502**	**(23)**	**3,233**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**378**	**99**	**433**	**255**	**540**	**(29)**	**1,676**
• Interest expense on lease obligations	(11)	(2)	(15)	(4)	(25)		(57)
Elimination of net depreciation/amortisation expense and net charges to provisions and impairment losses:							
• Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	184	10	462	280	867	11	1,814
• Charges to provisions and other impairment losses, net of reversals due to utilisation	271	24	151	(3)	35	1	479
Elimination of items included in "Other income from operations":							
• Reversals of unutilised provisions and impairment and other items	(231)	(14)	(99)	(14)	(6)		(364)
EBITDA AFTER LEASES 2019	**591**	**117**	**932**	**514**	**1,411**	**(17)**	**3,548**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
BALANCE SHEET AT 31 DECEMBER 2020							
Investments in joint ventures and associates	**94**	**47**	**395**	**11**	**284**[a]	**711**[b]	**1,542**
Non-current provisions	**(835)**	**(99)**	**(941)**	**(55)**	**(283)**	**(32)**	**(2,245)**
Current provisions	**(768)**	**(30)**	**(397)**	**(21)**		**(26)**	**(1,242)**
Net debt at 31 December 2020							
Cash and cash equivalents	4,582	60	606	179	70	(1,273)	4,224
Non-current debt	(1,065)	(18)	(346)	(141)	(1,561)	(2,413)	(5,544)
Current debt	(11)	(12)	(28)	(35)	(249)	(139)	(474)
Overdrafts and short-term bank borrowings	(363)	(336)	(238)	(4)		754	(187)
Financial instruments – Hedging of debt (assets/liabilities)			(1)			1	
NET SURPLUS CASH/(NET DEBT) [c]	**3,143**	**(306)**	**(7)**	**(1)**	**(1,740)**	**(3,070)**	**(1,981)**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
BALANCE SHEET AT 31 DECEMBER 2019							
Investments in joint ventures and associates	**105**	**41**	**422**	**12**		**976**[b]	**1,556**
Non-current provisions	**(857)**	**(91)**	**(857)**	**(51)**	**(279)**	**(32)**	**(2,167)**
Current provisions	**(742)**	**(30)**	**(323)**	**(15)**		**(26)**	**(1,136)**
Net debt at 31 December 2019							
Cash and cash equivalents	4,629	86	488	105	47	(1,781)	3,574
Non-current debt	(1,082)	(20)	(431)	(200)	(1,423)	(1,080)	(4,236)
Current debt	(9)	(40)	(36)	(29)	(78)	(1,103)	(1,295)
Overdrafts and short-term bank borrowings	(425)	(305)	(387)	(3)		900	(220)
Financial instruments – Hedging of debt (assets/liabilities)			(1)			(44)	(45)
NET SURPLUS CASH/(NET DEBT) [c]	**3,113**	**(279)**	**(367)**	**(127)**	**(1,454)**	**(3,108)**	**(2,222)**

(a) Includes SDAIF: €286m as of 31 December 2020 (see Note 1.2.1).

(b) Includes Alstom: €711m as of 31 December 2020, €974m as of 31 December 2019.

(c) Contribution at business segment level, including Bouygues Relais and Uniservice intra-group current accounts (these intra-group accounts are eliminated in the "Bouygues SA & other" column).

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	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2020							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	355	(4)	641	373	1,422	(78)	2,709
Acquisitions of property, plant and equipment and intangible assets, net of disposals (II)	(114)	(5)	(184)	(283)	(1,633)	(1)	(2,220)
Repayment of lease obligations (III)	(100)	(9)	(99)	(21)	(143)		(372)
FREE CASH FLOW (I) + (II) + (III)	**141**	**(18)**	**358**	**69**	**(354)**	**(79)**	**117**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES, INCLUDING CURRENT IMPAIRMENT AND PROVISIONS	**252**	**(6)**	**313**	**103**	**(214)**	**29**	**477**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2019							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	491	120	780	416	1,275	250	3,332
Acquisitions of property, plant and equipment and intangible assets, net of disposals (II)	(189)	(11)	(321)	(242)	(836)	(3)	(1,602)
Repayment of lease obligations (III)	(98)	(9)	(88)	(18)	(138)		(351)
FREE CASH FLOW (I) + (II) + (III)	**204**	**100**	**371**	**156**	**301**	**247**	**1,379**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES, INCLUDING CURRENT IMPAIRMENT AND PROVISIONS	**(146)**	**205**	**(30)**	**(32)**	**(166)**	**(54)**	**(223)**

Free cash flow was €1,262 million lower than in 2019.

After stripping out the 5G frequencies acquired in 2020 (including spectrum clearance costs) and dividends received from Alstom in 2019 of €341 million:

- free cash flow was €313 million lower year-on-year, amounting to €725 million in 2020 compared with €1,038 million in 2019;
- free cash flow after changes in working capital requirements was up €387 million year-on-year, amounting to €1,202 million in 2020 compared with €815 million in 2019.

Note 18 Financial instruments

The tables below show aggregate notional amounts for each type of financial instrument used as of 31 December 2020, split by residual maturity and by currency.

18.1 Hedging of interest rate risk, foreign exchange risk and commodities risk

18.1.1 Analysis by business segment

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 31/12/2020	Total 31/12/2019
Forward purchases	443		45	5			493	737
Forward sales	328		2	14			344	572
Currency swaps	22		187			1,099	1,308	1,047
Interest rate swaps [a]		250	50			100	400	984
Interest rate options (caps, floors)					1,200		1,200	1,245
Commodities derivatives			2				2	1
Other			18 [b]				18	

(a) This amount relates to fixed rates paid.
(b) Cross-currency swap.

18.1.2 Analysis by maturity and original currency

	Maturity				Original currency					
	< 1 year	1 to 5 years	> 5 years	Total	EUR	USD	GBP	HKD	CHF	Other
Forward purchases	337	156		493	79	54	8	7	9	336
Forward sales	316	28		344	8	79	81	22	96	58
Currency swaps	1,307	1		1,308	5	230	281	207	281	304
Interest rate swaps	150	110	140	400	361		39			
Interest rate options (caps, floors)	400	800		1,200	1,200					
Commodities derivatives	2			2	1	1				
Other		18 [a]		18						18

(a) Cross-currency swap.

18.2 Market value of hedging instruments

	Original currency									
Derivatives recognised as assets	EUR	USD	GBP	HKD	CHF	Other	Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
Forward purchases	1					8	9		9	
Forward sales		3	1			2	6		6	
Currency swaps		1	2				3	1	2	
Interest rate swaps										
Interest rate options (caps, floors)	1						1		1	
Commodities derivatives						1	1		1	
Other										
TOTAL ASSETS	**2**	**4**	**3**			**11**	**20**	**1**	**19**	

Derivatives recognised as liabilities	Original currency EUR	USD	GBP	HKD	CHF	Other	Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
Forward purchases	(2)	(3)				(2)	(7)	(1)	(6)	
Forward sales						(1)	(1)		(1)	
Currency swaps		(3)	(1)	(1)	(1)	(2)	(8)	(2)	(6)	
Interest rate swaps	(1)		(10)				(11)	(10)	(1)	
Interest rate options (caps, floors)						(3)	(3)		(3)	
Commodities derivatives						(1)	(1)		(1)	
Other										
TOTAL LIABILITIES	**(3)**	**(6)**	**(11)**	**(1)**	**(1)**	**(9)**	**(31)**	**(13)**	**(18)**	
TOTAL, NET	**(1)**	**(2)**	**(8)**	**(1)**	**(1)**	**2**	**(11)**	**(12)**	**1**	

(a) The difference from the value shown in the balance sheet is mainly due to the €10m negative market value of the interest rate swap contracted by Colas for the City of Portsmouth contract, which is entirely offset by the €10m positive market value of the derivative embedded in the fixed contractual fee paid by the customer.

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a positive market value of €1 million; in the event of a -1.00% movement, it would have a negative value of €20 million.

In the event of a +1.00% movement in the exchange rate of the euro against the other currencies, the hedging instruments portfolio would have a negative market value of €10 million; in the event of a -1.00% movement, it would have a negative market value of €8 million.

These calculations were prepared by the Bouygues group, or obtained from the banks with which the instruments were contracted.

Note 19 Off balance sheet commitments

This note supplements the disclosures provided in Notes 3, 4 and 8 to the consolidated financial statements.

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

19.1 Guarantee commitments

	31/12/2020	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Falling due: Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2019
Pledges, mortgages and collateral	71	4		67				12	44	15	78
Guarantees and endorsements given	339	83		228	20		8	147	134	58	291
TOTAL GUARANTEE COMMITMENTS GIVEN	**410**	**87**		**295**	**20**		**8**	**159**	**178**	**73**	**369**
Guarantees and endorsements received	8						8	2	6		10
TOTAL GUARANTEE COMMITMENTS RECEIVED	**8**						**8**	**2**	**6**		**10**
NET BALANCE	**402**	**87**		**295**	**20**			**157**	**172**	**73**	**359**

In connection with its ordinary activities, the Bouygues group grants multi-year guarantees (such as ten-year building guarantees), which are usually covered by statistically-based provisions on the liabilities side of the balance sheet. Contract guarantees provided by banks to Group customers represent off balance sheet commitments for those banks; where such guarantees are liable to result in payments being made, a provision is recognised by Bouygues in the consolidated balance sheet.

19.2 Miscellaneous contractual commitments

	31/12/2020	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Falling due Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2019
Image transmission	93				93			22	67	4	44
Network	4,782					4,782		281	1,105	3,396	3,402
Other items	204			149	55			62	53	89	182
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**5,079**			**149**	**148**	**4,782**		**365**	**1,225**	**3,489**	**3,628**
Image transmission	93				93			22	67	4	44
Network	4,782					4,782		281	1,105	3,396	3,402
Other items	204			149	55			62	53	89	182
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**5,079**			**149**	**148**	**4,782**		**365**	**1,225**	**3,489**	**3,628**
NET BALANCE											

"Sundry contractual commitments given" relates mainly to (i) service agreements entered into by Bouygues Telecom with owners of towers (TDF, FPS, Cellnex and Cityfast) and with FTTH fibre optic suppliers, and (ii) quarry operating licence contracts entered into by Colas. Those commitments rose by €1,451 million during the year, including by €1,380 million at Bouygues Telecom (due mainly to an increase in service agreements associated with the FTTH roll-out).

19.3 Other commitments

Bouygues Telecom

Licences to use frequencies in the 800 MHz and 700 MHz bands

The 20-year licences to use frequencies in the 800 MHz and 700 MHz bands awarded to Bouygues Telecom in 2012 (800 MHz) and 2015 (700 MHz) are subject to an obligation to open the frequencies to MVNOs [a], and to roll out coverage of the French population progressively (98% within 12 years, 99.6% within 15 years).

These coverage obligations include a priority roll-out zone defined by Arcep (the French telecoms regulator) to be covered simultaneously by the 700 MHz and 800 MHz frequencies (97.7% within 15 years), and an obligation to provide coverage in each French administrative department (90% within 12 years, 95% within 15 years).

The 700 MHz licence includes a new obligation to provide day-to-day coverage of 90% of trains on the French railway network within 15 years.

Licence to use frequencies in the 2600 MHz band

The 20-year licence to use frequencies in the 2600 MHz band awarded to Bouygues Telecom in 2011 is subject to an obligation to open the frequencies to MVNOs, and to roll out coverage of the French population progressively (25% within 4 years, 60% within 8 years, 75% within 12 years).

This coverage obligation may be fulfilled by any other frequencies owned by Bouygues Telecom. At present, it is primarily fulfilled via Bouygues Telecom's 1800 MHz frequencies that have been refarmed to 4G.

Licence to use technologically equivalent frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands

On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the "New Deal for Mobile" agreement, aimed at extending quality mobile coverage to all French people. The desired objective of digital roll-out across France led to stringent coverage obligations being imposed on the operators, in return for a ten-year renewal of their licences to use frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands.

Given that Bouygues Telecom's then current licences were due to expire in 2022 (2100 MHz band) and in 2024 (900 MHz and 1800 MHz bands), Arcep (in decision 2018-0680 of 3 July 2018) amended the existing frequency licences to incorporate the new roll-out requirements. Subsequently (in decision 2018-1390 of 15 November 2018), Arcep formally renewed the 900 MHz, 1800 MHz and 2100 MHz licences for a further ten years.

Consequently, Bouygues Telecom now holds licences to use the 900 MHz and 1800 MHz bands until 8 December 2034, and the 2100 MHz band until 11 December 2032. All frequency bands are now technologically equivalent and hence can be used independently for 2G/3G/4G.

Licence to use frequencies in the 3.4-3.8 GHz band (5G)

On 12 November 2020, Arcep issued Bouygues Telecom with a licence to use frequencies in the 3.4-3.8 GHz band in Time Division Duplexing (TDD) mode. The licence was awarded for a fifteen-year period ending on 17 November 2035, and may be extended to 17 November 2040.

(a) Mobile Virtual Network Operators.

Obligations imposed in return for licences to use frequencies in the 900, 1800 and 2100 MHz bands

The coverage obligations imposed on Bouygues Telecom by the decisions renewing the 900 MHz, 1800 MHz and 2100 MHz licences are as follows:

- participating in the targeted coverage scheme intended to increase coverage in France: 5,000 new zones to be covered, with a maximum of 600 in 2018; 700 in 2019; 800 in 2020, 2021 and 2022; then 600 a year until the 5,000 target is met. Some of the 5,000 zones will be covered by active network-sharing between the four operators, and some by passive network-sharing between two or three operators;
- installing 4G capability across all network sites: 100% of existing sites by 9 April 2021 (deadline extended by three months and one week pursuant to Order No. 2020-306 of 25 March 2020 on the extension of administrative deadlines in light of the Covid-19 crisis), except for sites in the "Town Centre Not Spots" programme, of which 75% were upgraded to 4G by 31 December 2020 with a requirement for 100% to have been upgraded by 31 December 2022;
- achieving good coverage for 99.6% of the French population (excluding non-European territories and dependencies) by 9 December 2027, rising to 99.8% by 9 December 2031;
- covering the strategic road network other than inside vehicles by 9 April 2021 (deadline extended by three months and one week pursuant to Order No. 2020-306 of 25 March 2020 on the extension of administrative deadlines in light of the Covid-19 crisis);
- covering the strategic road network from inside vehicles by 9 October 2025;
- covering 90% of the regional rail network by 31 December 2025.

Obligations imposed in return for licence to use frequencies in the 3.4-3.8 GHz (5G) bands

The coverage obligations imposed on Bouygues Telecom in return for the licence to use frequencies in the 3.4-3.8 GHz band are as follows:

- rolling out a mobile network using the 3.4-3.8 GHz band in France (excluding non-European territories and dependencies): 3,000 mobile network sites by 31 December 2022, 8,000 by 31 December 2024 (25% of them in less dense areas), and 10,500 by 31 December 2025 (25% of them in less dense areas);
- improving mobile network performance and speed by 31 December 2030: maximum download speed at least 240 mbps at 75% of sites by 31 December 2022, 85% of sites by 31 December 2024, 90% of sites by 31 December 2025 and 100% of sites by 31 December 2030;
- 5G coverage of the entire motorway-grade road network by 31 December 2025, and of the standard road network by 31 December 2027;
- providing a fixed-line offer via the 5G network from 31 December 2023;
- ensuring transparency on site outages and roll-out forecasts;
- providing a commercial differentiated services offer from 31 December 2023;
- providing "vertical" services available to all private-sector businesses regardless of the nature of their business, and to all public-sector organisations;
- providing coverage inside buildings for businesses and public-sector organisations, and granting requests for connections to Distributed Antenna Systems (DAS) by 18 November 2021;
- making the mobile network compatible with Internet Protocol version 6 (Ipv6) from 31 December 2020;
- offering a package to MVNOs.

Not spots

The law of 6 August 2015 on growth, business and equality of economic opportunity required the not spots programme (initially launched in 2004) to be extended to additional municipalities that currently have no coverage in the town or village centre, as well as retaining the requirement to provide coverage in the residual not spots identified in previous laws passed in 2004 and 2008. The law also introduced a new programme aimed at providing coverage in areas with concentrations of businesses, tourist sites and public facilities that currently have no network access. For both these programmes, municipalities are making high ground available to the operators for mast sites.

The four mobile operators signed an agreement in February 2016 under which each will contribute its fair share in providing coverage in residual not spots and extending the original programme. At the third Inter-Ministerial Rural Affairs Committee session of 2016, the mobile operators undertook to expand the existing priority zones programme to 1,300 sites. A new agreement was signed in February 2017.

As of 31 December 2020, the progress made by Bouygues Telecom on its commitments was in compliance with the deadlines stipulated in the law and with the timetable issued by Arcep.

Under the terms of the "New Deal", all municipalities not covered by one or more operators will now be addressed within the targeted coverage scheme.

As regards existing sites covered by the "Town Centre Not Spots" programme, also part of the "New Deal" agreement, Bouygues Telecom had extended 4G to 75% of sites by the end of 2020 and has a target of 100% of sites by the end of 2022.

Bouygues SA

On 7 December 2020, Alstom carried out a rights issue of approximately €2 billion in connection with its acquisition of Bombardier Transportation. Bouygues participated in the rights issue in an "opération blanche" (a cash-neutral transaction) - see Note 1.2.1. On settlement of the rights issue, Bouygues held a 7.99% equity interest in Alstom. Bouygues committed to retaining its Alstom shares for a period of 90 days from the settlement date, ending on 7 March 2021.

19.4 Contingent assets and liabilities

None.

Note 20 Employee benefit obligations and employee share ownership

20.1 Average headcount

	2020	2019
Managerial staff	24,376	23,780
Clerical, technical & supervisory staff	19,726	20,033
Site workers	22,281	23,262
SUB-TOTAL - HEADCOUNT FRANCE	**66,383**	**67,076**
Expatriate staff and local employment contracts	66,976	66,121
TOTAL AVERAGE HEADCOUNT	**133,359**	**133,197**

Average headcount was virtually unchanged year-on-year.

20.2 Employee benefit obligations

	31/12/2019	Movements during 2020	31/12/2020
Lump-sum retirement benefits	595	22	617
Long service awards and other benefits	135	1	136
Other post-employment benefits (pensions)	210	(5)	205
TOTAL	**940**	**18**	**958**

These obligations are covered by non-current provisions (see Note 6.1).

20.3 Employee benefit obligations and pension obligations (post-employment benefits) excluding long-service awards

20.3.1 Defined-contribution plans

	2020	2019
Amount recognised as an expense	(1,834)	(1,894)

This defined-contribution expense consists of contributions to:

- the public health insurance scheme and supplementary health insurance schemes;
- pension funds (compulsory and supplementary schemes);
- unemployment insurance funds.

20.3.2 Defined-benefit plans

20.3.2.1 Provisions for retirement benefit and pension obligations

	Lump-sum retirement benefits		Pensions		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Present value of obligation	624	600	1,749	1,775	2,373	2,375
Fair value of plan assets (dedicated funds)	(7)	(5)	(1,603)	(1,583)	(1,610)	(1,588)
Asset ceiling			45	3	45	3
NET LIABILITY RECOGNISED	**617**	**595**	**191**	**195**	**808**	**790**
of which: deficit recognised as a provision	617	595	205	210	822	805
of which: overfunded plans recognised as an asset			(14)	(15)	(14)	(15)
Ratio of plan assets to present value of obligation			1	1		

The table below shows the split of plan assets by investment category:

	2020		2019	
	Total	%	Total	%
Equity instruments	(551)	34	(496)	31
Debt instruments	(591)	37	(592)	37
Property	(242)	15	(221)	14
Investment funds	(67)	4	(76)	5
Cash	(27)	2	(48)	3
Other	(132)	8	(155)	10
TOTAL	**(1,610)**	**100**	**(1,588)**	**100**

	Lump-sum retirement benefits		Pensions	
	2020	2019	2020	2019
NET LIABILITY RECOGNISED AT 1 JANUARY	**595**	**528**	**195**	**131**
Current and past service cost	38	29	38	34
Interest cost	4	7	2	3
TOTAL EXPENSE RECOGNISED	**42**	**36**	**40**	**37**
Benefits paid	(54)	(27)		
Contributions paid			(47)	(41)
Translation adjustments			(4)	5
Changes in scope of consolidation				28[a]
Actuarial gains and losses recognised in equity	36	58	6	39
Transfers and other movements	(2)		1	(4)
NET LIABILITY RECOGNISED AT 31 DECEMBER	**617**	**595**	**191**	**195**

(a) Mainly relates to the commitments of Alpiq Engineering Services.

The amount of contributions to be paid into pension funds in 2021 is estimated at €51 million.

Actuarial gains and losses break down as follows:

	Lump-sum retirement benefits		Pensions	
	2020	2019	2020	2019
Analysis of actuarial gains/losses recognised in equity				
Effect of changes in demographic assumptions	(6)	(8)	(99)	(3)
Effect of changes in financial assumptions	20	50	100	112
Effect of experience adjustments	22	16	16	31
Return on plan assets (excluding financial income)			(50)	(95)
Effect of asset ceiling			39	(6)
TOTAL	**36**	**58**	**6**	**39**

20.3.2.2 Analysis by business segment as of 31 December 2020

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Non-current provisions:							
• lump-sum retirement benefits	215	17	220	53	93	19	617
• pensions	79		125			1	205
Provisions recognised as liabilities	**294**	**17**	**345**	**53**	**93**	**20**	**822**
Overfunded plans recognised as an asset	(3)		(11)				(14)
TOTAL	**291**	**17**	**334**	**53**	**93**	**20**	**808**

20.3.2.3 Analysis by geographical area as of 31 December 2020

	France and overseas departments	European Union	Rest of Europe [a]	Africa	Americas	Asia-Pacific	Middle East	Total
Non-current provisions:								
• lump-sum retirement benefits	607	1		6	2	1		617
• pensions	3	77	114		11			205
Provisions recognised as liabilities	**610**	**78**	**114**	**6**	**13**	**1**		**822**
Overfunded plans recognised as an asset			(14)					(14)
TOTAL	**610**	**78**	**100**	**6**	**13**	**1**		**808**

(a) Mainly relates to Switzerland and the United Kingdom.

20.3.2.4 Main actuarial assumptions used to measure lump-sum retirement benefit and pension obligations

	2020	2019
Discount rate for lump-sum retirement benefits [a]	0.60% (iBoxx A10+)	0.92% (iBoxx A10+)
Discount rate for pensions [a]	0.15% to 6.00%	0.20% to 6.00%
Life table	INSEE	INSEE
Retirement age (depending on business segment):		
• Managerial staff	62/65 years	62/65 years
• Clerical, technical & supervisory staff, and site workers	62/65 years	62/65 years
Lump-sum retirement benefits and long-service awards: salary inflation rate [b]	1% to 3.80%	0.90% to 3.50%
Pensions: salary inflation rate [b]	0% to 4%	0% to 4%

(a) See Note 20.3.2.5 for an analysis of sensitivity to interest rates.
(b) Includes general inflation.

20.3.2.5 Sensitivity analysis of actuarial obligation for lump-sum retirement benefits and pensions

The impact of an additional increase or decrease in discount rates in France and internationally on these obligations is presented below:

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	50 basis points	(40)	45
Pensions (outside France)	20 basis points	(22)	23

Those impacts would also be recognised in the consolidated statement of recognised income and expense.

20.4 Employee share ownership

Stock options

The total number of effectively exercisable stock options is 4,570,043.

Quoted market price on 31 December 2020: €33.65

Plan grant date	Outstanding options at 31/12/2020	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
27/03/2014	1,484,871	28/03/2018	28/03/2015	30.32	1,484,871
28/05/2015	2,012,196	29/05/2017	29/05/2016	37.11	
30/05/2016	1,685,672	31/05/2018	31/05/2017	29.00	1,685,672
01/06/2017	2,331,042	02/06/2019	02/06/2018	37.99	
01/06/2018	2,437,750	02/06/2020	02/06/2019	41.57	
31/05/2019	2,799,000	01/06/2021	01/06/2020	32.59	1,399,500
08/10/2020	2,830,000	09/10/2022	09/10/2021	30.53	
TOTAL	**15,580,531**				**4,570,043**

Stock options are effectively exercisable if they meet both of the following conditions:

- they must be legally exercisable as of 31 December 2020, either by normal exercise (two or four years after the plan grant date) or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme;
- they must be in the money as of 31 December 2020, in other words the exercise price must be less than the closing share price on that date (the last quoted price of 2020), i.e. €33.65.

Note 21 Disclosures on related parties and remuneration of directors and senior executives

21.1 Related party information

	Expenses		Income		Receivables		Payables	
	2020	2019	2020	2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Parties with an ownership interest	5	6					1	
Joint operations	142	72	321	208	318	304	418	344
Joint ventures and associates	113	77	570	158	256	178	72	70
Other related parties	76	41	110	124	81	79	40	42
TOTAL	**336**	**196**	**1,001**	**490**	**655**	**561**	**531**	**456**
Maturity								
• less than 1 year					596	495	531	453
• 1 to 5 years					23	39		3
• more than 5 years					36	27		
of which impairment of doubtful receivables (mainly non-consolidated companies)					57	65		

Types of related party transaction:

Transactions between the Bouygues group and related parties mainly comprise:

- remuneration and benefits awarded to directors and senior executives;
- commercial and financial transactions with Bouygues group companies, and with entities over which Bouygues exercises joint control or significant influence.

Identity of related parties:

- Parties with an ownership interest: the Bouygues group is accounted for by the equity method in the financial statements of SCDM (a company controlled by Martin and Olivier Bouygues), which provides consultancy services in strategy, development, research and analysis into strategic developments and growth of the Bouygues group, major investments and divestments, and multi-year plans.
- Joint operations: mainly involves transactions with construction project companies.

- Joint ventures and associates: mainly involves transactions with concession companies, quarry companies, and Alstom.

  The net change in the "income" column compared with 2019 is mainly due to the transfer of assets from Bouygues Telecom to SDAIF, as described in Note 1.2.1.
- Other related parties: mainly transactions with non-consolidated companies in which the Group has an interest.

21.2 Disclosures about remuneration and benefits paid to directors and senior executives in office on 31 December 2020

Direct remuneration in respect of the 2020 financial year for key executives (members of the Group Management Committee) amounted to €15,479,286, comprising basic remuneration of €7,571,116 plus variable remuneration of €7,908,170 linked to 2020 performance, including the expense accrued for long-term remuneration arrangements. Remuneration during the year for participating in Board meetings of Bouygues SA and its subsidiaries amounted to €230,550.

Remuneration paid to non-executive directors in respect of directorships held at Bouygues SA and its subsidiaries amounted to €857,028.

Short-term benefits: none.

Post-employment benefits: members of the Group Management Committee are entitled to benefits under two top-up retirement schemes: (i) a contingent-rights collective pension scheme governed by Article L. 137-11 of the Social Security Code and (ii) a vested-rights scheme governed by Article L. 137-11-2 of the Social Security Code. Both schemes are contracted out to an insurance company. No contributions were paid in 2020. As of 31 December 2020, the excess of the estimated value of the obligation over the value of plan assets managed by the insurance company was covered by a provision of €2,428,443.

Long-term benefits: none.

Lump-sum retirement and termination benefits: The provision was increased by €4,065,372 during 2020 for members of the Group Management Committee.

Stock option plan: 500,000 stock options were awarded to members of the Group Management Committee on 8 October 2020, at an exercise price of €30.53 each. The earliest exercise date is 9 October 2022, and the expense recognised in 2020 was €125,387.

Note 22 Additional cash flow statement information and changes in working capital related to operating activities

22.1 Cash flows of acquired and divested subsidiaries

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 31/12/2020
Non-current assets	56		(38)	(3)	(743)	450	(278)
Current assets			(7)		(79)		(86)
Non-current liabilities			1	1	(10)		(8)
Current liabilities			6		78		84
Cash				2	2		4
PURCHASE PRICE OF CONSOLIDATED ACTIVITIES NET OF DISPOSALS	**56**		**(38)**		**(752)**	**450**	**(284)**
Cash of acquired or divested companies		(1)	1	2	(3)		(1)
Net liabilities related to consolidated activities					260	(2)	258
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**56**	**(1)**	**(37)**	**2**	**(495)**	**448**	**(27)**

Acquisitions and divestments during the period generated a net cash outflow of €27 million, and mainly comprised:

- Bouygues Construction: sales of rights to six companies owned by Axione;
- Colas: acquisitions of the operations of Granite Contracting LLC in the United States, and of operations in the Czech Republic and Africa;
- Bouygues Telecom: primarily the acquisition of EIT (excluding the estimated contingent purchase consideration, classified as a financial liability) and receipt of compensation from Digicel;
- Bouygues SA: divestment of a 4.8% equity interest in Alstom, net of costs.

22.2 Changes in working capital requirements related to operating activities

Changes in working capital include changes in current provisions recognised in the balance sheet.

	2020	2019
Assets		
Inventories/Programmes/Broadcasting rights	356	117
Advances and down-payments made on orders	33	65
Trade receivables	352	(79)
Customer contract assets	(66)	(149)
Other current receivables and current financial assets	(113)	34
SUB-TOTAL	**562**	**(12)**
Liabilities		
Trade payables	(130)	(52)
Customer contract liabilities	(18)	(109)
Current provisions	135	161
Other current liabilities and current financial liabilities	(72)	(211)
SUB-TOTAL	**(85)**	**(211)**
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES [a]	**477**	**(223)**

(a) For both assets and liabilities: decreases/(increases) in working capital related to operating activities

Note 23 Auditors' fees

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues and consolidated companies, as expensed through the income statement in 2020 (in thousands of euros).

	2020				2019			
	Mazars network		EY network		Mazars network		EY network	
	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%
A - Audit	**(9,108)**	**98**	**(6,394)**	**90**	**(9,008)**	**96**	**(6,459)**	**86**
• Bouygues SA	(243)		(243)		(243)		(243)	
• Consolidated subsidiaries	(8,865)		(6,151)		(8,765)		(6,216)	
B - Non-audit services	**(192)**	**2**	**(744)**	**10**	**(392)**	**4**	**(1,066)**	**14**
TOTAL	**(9,300)**	**100**	**(7,138)**	**100**	**(9,400)**	**100**	**(7,525)**	**100**

Non-audit services as shown in the table above mainly comprise assurance or agreed-upon procedure engagements relating to financial data, and procedures performed in connection with the declaration of extra-financial performance and acquisition audits.

The total amount of fees paid to audit firms that do not belong to the network of either of the firms that audit the financial statements of Bouygues SA was €3,800 thousand in respect of the 2020 financial year and €4,094 thousand for the 2019 financial year (mainly PwC for Colas).

Note 24 List of principal consolidated companies at 31 December 2020

Company	City/Country	% interest		% direct and indirect control [a]	
		2020	2019	2020	2019
FRANCE					
Companies controlled by Bouygues					
Construction					
Bouygues Construction SA	**Saint-Quentin-en-Yvelines**	**99.97**	**99.97**		
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues TP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
BYTP Régions France SA	Balma	99.97	99.97		
Brézillon SA	Margny-Lès-Compiègne	99.32	99.32		
Challenger SNC	Saint-Quentin-en-Yvelines	99.97	99.97		
DTP SAS	Saint-Quentin-en-Yvelines	99.97	99.97		
Linkcity Centre Sud-Ouest (ex Bouygues Bâtiment Centre Sud-Ouest)	Lormont	99.97	99.97		
Bouygues Energies & Services SAS	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues E&S FM France	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Sud-Est	Lyon	99.97	99.97		
Bouygues Bâtiment Grand Ouest	Nantes	99.97	99.97		
Bouygues Construction Central Europe	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Nord-Est	Villeneuve d'Ascq	99.97	99.97		
Linkcity IDF	Saint-Quentin-en-Yvelines	99.96	99.96		
Bouygues Bâtiment IDF PPP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Linkcity Sud-Est	Lyon	99.97	99.97		
Property					
Bouygues Immobilier SAS	**Issy-les-Moulineaux**	**100.00**	**100.00**		
SCCV Lavoisier	Issy-les-Moulineaux	100.00	100.00		
SLC SA	Lyon	100.00	100.00		
Urbis Réalisations SA	Toulouse	100.00	100.00		
Roads					
Colas SA and its regional subsidiaries	**Paris**	**96.87**	**96.66**		
Aximum and its subsidiaries	Magny-les-Hameaux	96.87	96.66	100.00	100.00
Colas Rail and its subsidiaries	Courbevoie	96.87	96.66	100.00	100.00
Grands Travaux Océan Indien (GTOI) SA	Le Port (Reunion Island)	96.87	96.66	100.00	100.00
Spac and its subsidiaries	Nanterre	96.87	96.66	100.00	100.00
Media					
Télévision Française 1 SA	**Boulogne-Billancourt**	**43.70**	**43.73**		
Aufeminin and its subsidiaries	Paris	43.70	43.73	100.00	100.00
Dujardin and its subsidiaries	Cestas	43.70	43.73	100.00	100.00
E-TF1	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Séries Films	Boulogne-Billancourt	43.70	43.73	100.00	100.00
La Chaîne Info	Boulogne-Billancourt	43.70	43.73	100.00	100.00
Newen and its subsidiaries	Paris	43.70	43.73	100.00	100.00
TFX	Boulogne-Billancourt	43.70	43.73	100.00	100.00
Télé Monte Carlo	Monaco	43.70	43.73	100.00	100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Entertainment	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt	43.70	43.73	100.00	100.00

Company	City/Country	% interest 2020	% interest 2019	% direct and indirect control [a] 2020	% direct and indirect control [a] 2019
Telecoms					
Bouygues Telecom SA and its subsidiaries	**Paris**	**90.53**	**90.53**		
Euro-Information Telecom (EIT)	Paris	90.53		100.00	
Other subsidiaries					
Bouygues Relais SNC	Paris	100.00	100.00		
GIE 32 Hoche	Paris	90.00	90.00		

(a) Where percentage control differs from percentage interest.
(b) Includes first-time consolidation of De Mensen and Reel One from 2019.

Company	City/Country	% interest 2020	% interest 2019	% direct and indirect control [a] 2020	% direct and indirect control [a] 2019
Joint operations					
Construction					
Evesa	Paris	47.52	47.49		
Oc'via Construction	Nîmes	73.22	73.16		
Joint ventures and associates					
Construction					
Consortium Stade de France SA	Saint-Denis	33.32	33.32		
Axione	Malakoff	50.98	50.98		
Property					
SAS NDH	Issy-les-Moulineaux	50.00	50.00		
Associates					
Telecoms					
Société de Développement pour l'Accès à l'Infrastructure Fibre (SDAIF)	Malakoff	44.36		49.00	
Other subsidiaries					
Alstom	Saint-Ouen	7.99	14.67		
INTERNATIONAL					
Companies controlled by Bouygues					
Construction					
Americaribe LLC	Miami/United States	99.97	99.97		
AW Edwards Pty and its subsidiaries	Northbrigde, NSW/Australia	99.97	99.97		
Bouygues Construction Australia Pty	Sydney/Australia	99.97	99.97		
Bouygues Development Ltd	London/United Kingdom	99.97	99.97		
Bouygues Thai Ltd	Bangkok/Thailand	48.99	48.99		
Bouygues UK Ltd	London/United Kingdom	99.97	99.97		
Bouygues E&S Intec AG (Alpiq Engineering Services)	Olten/Switzerland	99.97	99.97		
Kraftanlagen München GmbH (Alpiq Engineering Services)	Munich/Germany	99.97	99.97		
Bymaro	Casablanca/Morocco	99.96	99.96		
Dragages et TP (Hong-Kong) Ltd	Hong Kong/China	99.97	99.97		
BYME Engineering (Hong-Kong)	Hong Kong/China	89.97	89.97		
DTP Singapore Pte Ltd	Singapore	99.97	99.97		
Bouygues E&S Contracting UK	Holytown/Scotland	99.97	99.97		
Bouygues E&S FM UK	London/United Kingdom	99.97	99.97		
Karmar SA	Warsaw/Poland	99.97	99.97		
Bouygues E&S Schweiz	Zurich/Switzerland	99.97	99.97		
Losinger Marazzi AG	Bern/Switzerland	99.97	99.97		
Losinger Holding AG	Lucerne/Switzerland	99.97	99.97		
Plan Group Inc. and its subsidiaries	Vaughan/Canada	99.97	99.97		
VCES Holding company SRO and its subsidiaries	Prague/Czech Republic	99.97	99.97		
VSL International Ltd	Bern/Switzerland	99.97	99.97		

Company	City/Country	% interest 2020	% interest 2019	% direct and indirect control [a] 2020	% direct and indirect control [a] 2019
Property					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
Roads					
Colas Australia Group and its subsidiaries	Sydney/Australia	96.87	96.66	100.00	100.00
Colas Belgium and its subsidiaries	Brussels/Belgium	96.87	96.66	100.00	100.00
Colas Canada Inc. and its subsidiaries	Toronto, Ontario/Canada	96.87	96.66	100.00	100.00
Colas CZ	Prague/Czech Republic	96.00	95.79	99.10	99.10
Colas Danmark A/S and its subsidiaries	Glostrup/Denmark	96.87	96.66	100.00	100.00
Colas Hungaria and its subsidiaries	Budapest /Hungary	96.87	96.66	100.00	100.00
Colas Inc. and its subsidiaries	Morristown, New Jersey/United States	96.87	96.66	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant, Crawley/United Kingdom	96.87	96.66	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.87	96.66	100.00	100.00
Colas Suisse Holding SA and its subsidiaries	Lausanne/Switzerland	96.11	95.91	99.22	99.22
Colas Slovakia	Kosice/Slovakia	96.87	96.66	100.00	100.00
Other subsidiaries					
Challenger Réassurance	Luxembourg	99.99	99.99		
Uniservice	Geneva/Switzerland	99.99	99.99		
Joint ventures and associates					
Construction					
Bina Fincom	Zagreb/Croatia	50.68	50.68		
Roads					
Gamma Materials	Beau Bassin/Mauritius	48.44	48.33	50.00	50.00
Mak Mecsek zrt	Budapest /Hungary	29.06	29.00	30.00	30.00
Tipco Asphalt	Bangkok/Thailand	30.13	30.06	31.10	31.10

(a) Where percentage control differs from percentage interest.
(b) 32.99% Bouygues Construction, 14.50% Colas.
(c) 49.00% Bouygues Construction, 24.16% Colas Rail.

In accordance with ANC recommendation 2016-01 of 2 December 2016, a full list of companies included in the consolidation is available from Karine Adam Gruson, Investor Relations Director.

7.2 AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Annual General Meeting of the shareholders of Bouygues,

Opinion

In accordance with the assignment entrusted to us by your Annual General Meetings, we have conducted our audit of the accompanying consolidated financial statements of Bouygues for the year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Basis for our opinion

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are described in the section "Auditors' responsibilities for the audit of the consolidated financial statements" below.

Independence

We conducted our audit engagement in compliance with the rules on independence contained in the Commercial Code and in the code of ethics of the auditing profession during the period from 1 January 2020 to the date of issuance of this report. Specifically, we provided no services prohibited by Article 5, Paragraph 1 of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

The global crisis caused by the Covid-19 pandemic created challenging conditions for the preparation and audit of this year's financial statements. The crisis – and the unprecedented public health measures taken in response – had multiple consequences for businesses, especially on their operations and finances, and also created increased uncertainty about their future prospects. Some of those measures, such as travel restrictions and teleworking, also had an impact on internal organisation within companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, pursuant to Articles L. 823-9 and R. 823-7 of the Commercial Code regarding the justification of our assessments, we draw your attention to key audit matters that relate to those risks of material misstatement that in our professional judgment were of the most significance in the audit of the consolidated financial statements for the year, and our response to those risks.

Our assessments should be seen in the context of the audit of the consolidated financial statements taken as a whole, and of the formation of our opinion as expressed above. We do not express an opinion on elements of the consolidated financial statements taken in isolation.

Measurement of goodwill and investments in associates

Identified risk	Our response
As shown in the consolidated balance sheet for the year ended 31 December 2020, the Group's assets include non-current assets, and in particular €7.2 billion of goodwill and €1.5 billion of investments in joint ventures and associates. Note 2.7.5 to the consolidated financial statements explains how the Group accounts for impairment of non-current assets and investments in associates: • Impairment tests are carried out on the carrying amount of goodwill and investments in associates if there is objective evidence that they may have become impaired. • The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least once a year. • Those recoverable amounts are determined using the methods described in Notes 2.7.5.1 and 2.7.5.2, and may incorporate the estimates and assumptions described in Notes 3.2.4 and 3.2.6.2, including for example cash flow projections derived from three-year business plans, discount rates and a perpetual growth rate. We identified the measurement of goodwill and investments in associates as a key audit matter, insofar as it is sensitive to the estimates and assumptions used by management and hence can have a material effect on the financial statements.	Our principal procedures are summarised below: • We examined the accounting policies and methods used, to ensure that they are compliant and consistently applied. • We familiarised ourselves with documentation supplied by management in relation to impairment testing, and assessed its compliance with current accounting standards. • We analysed the assumptions used by the Group in calculating recoverable amounts (including an examination of the business plans, and of the consistency of the assumptions and calculation parameters used). • We performed our own analyses of sensitivity to changes in the calculation parameters. • We checked the disclosures provided in the notes to the consolidated financial statements, and in particular that Note 3.2.4.2 provides appropriate disclosures about analyses of the sensitivity of the recoverable amount of goodwill to changes in the key parameters used.

Accounting for construction contracts

Identified risk	Our response
A significant portion of the Group's revenue is derived from construction contracts. Note 2.13.1 to the consolidated financial statements explains how construction contracts are accounted for. • Revenue from construction activities corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer or are highly probable. Such revenue is recognised at the end of each period using the percentage of completion method, with the rate of completion determined by reference to progress of the works (output method) or to the cost of completed works (input method). • For property development activities, revenues and profits are recognised using the percentage of completion method once certain conditions have been met (building permit with no appeal, signature of notarised deed of sale or development contract with the client, construction contract signed with the contractor). The percentage of completion represents costs recognised to date (including land-related costs) as a proportion of the total estimated final cost of the project, taking account of the progress towards legal completion of the sale in the case of property sales. The same note explains how the Bouygues group determines provisions for losses to completion on construction contracts. The loss is provided for in full as soon as it can be reliably measured, irrespective of the completion rate on the contract. Consequently, we identified accounting for construction contracts as a key audit matter, insofar as the recognition of revenues and profits on such contracts is sensitive to management judgment and estimates and hence can have a material impact on the financial statements.	Our principal procedures are summarised below: • We assessed the control environment relating to procedures and to any dedicated IT systems used by the most material subsidiaries to support the formation of construction contract revenue and monitor the corresponding expenditure. • For activities involving low-value, low-risk contracts, we analysed the portfolio of contracts via an examination of material variances. • For a sample of contracts (selected on the basis of our assessment of the risks incurred, the materiality of the contract and the level of complexity): ▪ we assessed the assumptions and estimates used to support the financial statements by reference to the available documentation (such as contracts and contract amendments, and budget tracking reports); ▪ we physically inspected the highest-risk and highest-contributing worksites in order to measure the state of completion and assess the issues through discussions with on-site staff. • We obtained assurance that the manner in which claims are taken into account when estimating revenue to completion was consistent with the IFRS 15 criteria, especially as regards the "highly probable" test, and analysed correspondence between the Group and the customer, management information supporting the position adopted by the Group, and the Group's past experience in settling claims. • We made an overall assessment of the estimates and assumptions supporting the recognition of revenue and of any provisions for losses to completion, based on our experience and on actual outcomes.

Provisions for litigation and claims

Identified risk	Our response
Provisions for litigation and claims are included within non-current provisions in the consolidated balance sheet, and presented in Note 6.1 to the consolidated financial statements. • As indicated in Notes 2.11.3 and 6.1, the amount recognised within non-current provisions must be the Group's best estimate of the net outflow of resources. • Those notes describe the nature of the provisions intended to cover litigation and claims. We identified this as a key audit matter, insofar as the amount of provisions for litigation and claims is sensitive to the estimates and assumptions used by the Group and hence can have a material impact on the financial statements.	Our principal procedures are summarised below: • We examined the accounting policies and methods used, to ensure that they are compliant and consistently applied. • We obtained an understanding of the procedures applied at business segment level to identify, document, validate and monitor non-current provisions. • We evaluated the design and implementation of key controls used in the Group's most material subsidiaries, in order to test those procedures (manual controls). • For a selection of risks we regarded as complex and material, we examined the soundness and underlying assumptions of the measurement of the risk and the amount of the year-end provision, including inter alia: ▪ an examination of documentation and correspondence with third parties, against which we tested management estimates; ▪ an examination of any relevant legal letters and written opinions from the Group's external counsel; ▪ interviews with appropriate managerial staff. • We spoke directly with the Group's external advisers to obtain detailed information on ongoing material litigation, and in particular any associated claims, in order for us to assess the adequacy of the provisions recognised. • We checked the disclosures in the notes to the consolidated financial statements and in the management report about the amount of non-current provisions, and about the principal claims and litigation involving the Group.

Specific verifications

As required by law and regulations we also carried out, in accordance with professional standards applicable in France, the specific verifications relating to information about the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We hereby attest that the consolidated statement of extra-financial performance required pursuant to Article L. 225-102-1 of the Commercial Code is included in the management report, with the caveat that in accordance with Article L. 823-10 of that Code, we have not verified the fair presentation or consistency with the consolidated financial statements of the information contained in the statement of extra-financial performance, which is covered by a report issued by an independent third party.

Other verifications or information required under legal or regulatory obligations

Presentation format for consolidated financial statements intended for inclusion in the annual financial report

In accordance with point III of Article 222-3 of the AMF General Regulation, your company's management has informed us of their decision to defer first-time application of the single electronic reporting format as defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 until accounting periods commencing on or after 1 January 2021. Consequently, the present report does not include a conclusion on compliance with that format in the presentation of the consolidated financial statements intended for inclusion in the annual financial report mentioned in Article L. 451-1-2 I of the Monetary and Financial Code.

Appointment as auditors

We were appointed as auditors of Bouygues by your Annual General Meetings of 10 June 1998 (Mazars) and of 24 April 2003 (Ernst & Young Audit).

As of 31 December 2020, Ernst & Young Audit was in its eighteenth uninterrupted year as auditor, and Mazars in its twenty-third.

Responsibilities of management, and of those charged with governance, for the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as endorsed by the European Union, and to implement such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern; to disclose in those financial statements any matters relating to going concern; and to apply the going concern basis of accounting unless it is intended to liquidate the company or cease trading.

It is the responsibility of the Audit Committee to oversee the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and of internal audit, as regards procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been closed off by the Board of Directors.

Auditors' responsibilities for the audit of the consolidated financial statements

Objective and audit approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the Commercial Code, our audit does not involve guaranteeing the viability of the company or the quality of how it is managed.

As part of an audit in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. In addition, the auditor:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Those conclusions are based on the audit evidence obtained up to the date of the auditor's report, with the caveat that future events or conditions may cause a company to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer;
- evaluates the overall presentation of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of them;
- obtains what the auditor considers sufficient appropriate audit evidence regarding the financial information of the entities within the scope of consolidation to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements, and for the opinion expressed on those financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that describes inter alia the scope of our audit, the work programme followed, and our findings. We also inform the Audit Committee of any significant deficiencies in internal control we identified as regards the procedures used for the preparation and processing of accounting and financial information.

The information contained in our report to the Audit Committee includes those risks of material misstatement that we determined were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters that we are required to describe in the present report.

We also provide the Audit Committee with written confirmation (as required under Article 6 of Regulation (EU) No. 537-2014) of our independence, within the meaning of the rules applicable in France and contained inter alia in Articles L. 822-10 to L. 822-14 of the Commercial Code and in the code of ethics of the French auditing profession. Where applicable, we also communicate with the Audit Committee about risks to our independence, and related safeguards.

Paris-La Défense, 17 February 2021
The Statutory Auditors

ERNST & YOUNG Audit
Nicolas Pfeuty

MAZARS
Gilles Rainaut

7.3 PARENT COMPANY FINANCIAL STATEMENTS (FRENCH GAAP)

7.3.1 Balance sheet

Assets (€ million)	**31/12/2020 Gross**	**31/12/2020 Depreciation, amortisation & impairment**	**31/12/2020 Net**	**31/12/2019 Net**
Intangible assets	8	6	2	2
Property, plant and equipment				
Long-term investments				
• Holdings in subsidiaries and affiliates	9,761	76	9,685	9,590
• Loans and advances to subsidiaries and affiliates				
• Other	22		22	22
NON-CURRENT ASSETS	**9,791**	**82**	**9,709**	**9,614**
Inventories and work in progress				
Advances and down-payments made on orders				
Trade receivables	28		28	34
Other receivables	194	2	192	287
Short-term investments	216		216	495
Cash and cash equivalents	2,252		2,252	1,268
CURRENT ASSETS	**2,690**	**2**	**2,688**	**2,084**
Other assets	105		105	57
TOTAL ASSETS	**12,586**	**84**	**12,502**	**11,755**

Liabilities (€ million)	**31/12/2020**	**31/12/2019**
Share capital	381	380
Share premium and reserves	3,199	3,177
Retained earnings	2,447	1,928
Net profit/(loss)	698	1,166
Restricted provisions	1	2
SHAREHOLDERS' EQUITY	**6,726**	**6,653**
Provisions	41	46
Debt	4,023	3,994
Advances and down-payments received on orders		
Trade payables	28	25
Other payables	93	153
LIABILITIES	**4,185**	**4,218**
Overdrafts and short-term bank borrowings	1,591	884
Other liabilities		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12,502**	**11,755**

7.3.2 Income statement

€ million	Full year 2020	2019
SALES	**74**	**85**
Other operating revenues	6	1
Purchases and changes in inventory		
Taxes other than income tax	(3)	(3)
Personnel costs	(60)	(60)
Other operating expenses	(55)	(59)
Depreciation, amortisation, impairment and provisions, net	4	(2)
OPERATING PROFIT/(LOSS)	**(34)**	**(38)**
Financial income and expenses	657	1,071
PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	**623**	**1,033**
Exceptional items	7	3
Statutory and voluntary profit-sharing	(1)	(1)
Income tax	69	131
NET PROFIT/(LOSS)	**698**	**1,166**

7.3.3 Cash flow statement

€ million	Full year 2020	2019
A – Operating activities		
Net profit/(loss)	698	1,166
Amortisation, depreciation and impairment of non-current assets, net	23	(222)
Charges to/(reversals of) provisions, net	(5)	(1)
Deferred expenses, deferred income and accrued income	(64)	
Gains and losses on disposals of non-current assets	(6)	115
Cash flow after income from net surplus cash/(cost of net debt) and income tax	**646**	**1,058**
Current assets	86	48
Current liabilities	(56)	(92)
Change in working capital	**30**	**(44)**
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**676**	**1,014**
B – Investing activities		
Acquisitions of intangible assets and property, plant and equipment		(1)
Acquisitions and long-term investments	(603)	(18)
Increases in non-current assets	**(603)**	**(19)**
Disposals of non-current assets	506	1,080
Investments, net	**(97)**	**1,061**
Other long-term investments, net		
Amounts receivable/payable in respect of non-current assets, net		2
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(97)**	**1,063**
C – Financing activities		
Change in shareholders' equity	22	175
Dividends paid	(647)	(631)
Change in debt	29	(947)
Other cash flows from financing activities	15	2
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(581)**	**(1,401)**
CHANGE IN NET CASH POSITION (A + B + C)	**(2)**	**676**
NET CASH POSITION AT START OF PERIOD	**879**	**203**
Other non-monetary flows		
Net cash flows	(2)	676
CASH POSITION AT END OF PERIOD	**877**	**879**

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7.3.4 Notes to the parent company financial statements

Contents (figures expressed in millions of euros)

Note 1 Significant events of the year

1.1 Holdings in subsidiaries and affiliates

1.1.1 Colas

On 18 March 2020, Bouygues bought 68,424 Colas shares for €9.75 million.

1.1.2 Bouygues Telecom

On 10 November 2020, the shareholders decided to carry out a cash rights issue of €600 million via the issuance of 7,028,230 new shares with a par value of €85.37 each, to finance the acquisition of EIT.

Bouygues paid out €540.98 million on 30 December 2020.

1.2 Alstom

1.2.1 Sale of 11 million Alstom shares

On 29 September 2020, Bouygues announced its intention to sell 11 million Alstom shares (representing approximately 4.8% of the share capital). To that end, Bouygues contracted a forward sale with BNP Paribas, which was settled on 3 November 2020 at a price of €41.6 per share (giving a total amount of €457.56 million). A net gain of €7.28 million was recognised as an exceptional item.

1.2.2 Sale of pre-emptive subscription rights (PSRs) and purchase of shares

On 16 November 2020, Alstom announced a rights issue of approximately €2 billion in connection with its proposed acquisition of Bombardier Transportation, the rail division of Bombardier (Canada).

On 17 November 2020, Bouygues sold 16,452,176 Alstom PSRs at a price of €2.95 per PSR (representing a total of approximately €48.53 million) through an accelerated bookbuild offering to qualified investors (the "Offering").

Bouygues then sold sufficient PSRs to enable it to fund the exercise of its remaining Alstom PSRs, and thereby to participate in the Alstom rights issue (with pre-emptive rights maintained) by purchasing 1,645,215 shares at a price of €29.5 per share in a cash-neutral "opération blanche" transaction.

This transaction confirmed Bouygues' support for Alstom's strategy and the proposed acquisition of Bombardier Transportation, without committing extra capital. Settlement of the Offering took place on 19 November 2020.

On completion of this transaction, Bouygues committed to retaining its Alstom shares for a 90-day period ending on 7 March 2021.

As of 31 December 2020, Bouygues held a 7.99% equity interest in Alstom at an average unit price of €37.97 per share.

1.3 Bond issues

1.3.1 April 2020 bond issue

Bouygues carried out a €1,000 million bond issue on 14 April 2020, at an interest rate of 1.125% and with an issue premium of 99.277%. The issue will be redeemed in full at par on 24 July 2028.

1.3.2 Redemption of 2005 bond issues

On 22 July 2020, Bouygues paid €1,000 million to redeem the bond issues carried out in 2005 (€750 million in July 2005 and €250 million in December 2005) at a rate of 4.25%.

1.4 Covid-19

1.4.1 Non-deferral of tax and social security payments

Bouygues decided not to alter the timing of its tax and social security payments, and hence not to defer the related cash outflows.

1.5 Significant events subsequent to 31 December 2020

1.5.1 Alstom

Following the sale of Alstom shares by Bouygues and the rights issues carried out in the fourth quarter of 2020 and on 29 January 2021 in connection with the acquisition of Bombardier Transportation, Bouygues retained a 6.35% equity interest in Alstom.

1.5.2 Bouygues Construction

On 9 December 2020, Bouygues SA launched a public tender offer for the shares of Bouygues Construction, followed by a squeeze-out procedure.

The offer was intended to streamline the ownership structure of Bouygues Construction by buying out the remaining shares in the company, offering the minority shareholders the opportunity to cash out immediately and in full at an attractive price. On completion, Bouygues SA and SFPG will own the entire share capital of Bouygues Construction.

The transaction is due to be completed on 24 February 2021.

Note 2 Accounting policies

The financial statements have been prepared in accordance with the current provisions of French law.

2.1 Intangible assets

Expenditure on intangible assets is recognised in accordance with the historical cost convention.

As a general principle, software acquired from third parties is recognised as an intangible asset and amortised on a straight-line basis over periods of up to five years. Some specific large-scale information systems projects are amortised over a period of up to ten years.

2.2 Property, plant and equipment

Property, plant and equipment is recognised at acquisition cost net of reclaimable taxes. Transaction costs that do not form part of the market value of the acquired asset are expensed as incurred.

Depreciation is calculated on a straight-line basis, according to the nature and estimated useful life of each asset component.

2.3 Long-term investments

2.3.1 Holdings in subsidiaries and affiliates and other long-term investment securities

Holdings in subsidiaries and affiliates and other long-term investment securities are recognised at cost, including directly attributable acquisition costs.

They are also measured at value in use, determined using objective criteria, forecast data, or any other information indicative of the actual value of the asset.

If value in use is less than cost, a provision for impairment is recorded to cover the difference.

2.3.2 Long-term receivables

Long-term receivables are shown in the balance sheet at face value. If the realisable value (taking into account the probability of recovery) is less than the carrying amount, a provision for impairment is recorded to cover the difference.

2.4 Receivables and payables expressed in foreign currencies

Receivables and payables expressed in foreign currencies are translated at the exchange rate prevailing at the end of the reporting period.

Unrealised foreign exchange gains and losses are taken to suspense accounts in the balance sheet; unrealised losses are covered by a provision.

2.5 Short-term investments

The short-term investment portfolio is measured in accordance with French accounting standards.

The realisable value of unlisted securities (equities, negotiable debt instruments, and money-market mutual funds) was determined by reference to the latest estimate as at 31 December 2020. In the case of quoted securities, the average quoted stock market price over the last month of the financial year is used.

2.6 Other assets

Deferred charges mainly comprise the portion of bond issue costs not covered by the issue premium. In the case of convertible bonds, any unamortised issue costs relating to bonds converted into shares are offset against the share premium on the newly-issued shares.

Bond redemption premium relates to bond issues priced at the following percentages of nominal value: 98.662% (October 2006 issue), 99.66% (February 2012 issue), 99.681% (October 2012 issue), 99.046% (December 2016 issue), and 99.277% (April 2020 issue).

2.7 Provisions

These mainly comprise:

- provisions for miscellaneous risks (including tax inspections) and provisions for additional risks relating to loss-making subsidiaries, established where the negative net assets of a subsidiary are not wholly covered by provisions for impairment of Bouygues SA's investment in and loans and/or advances to that subsidiary; and
- provisions for charges, including employee benefits: bonuses, lump-sum retirement benefits, long-service awards, etc.

2.8 Hedging instruments

Bouygues SA uses hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates.

These instruments share the following characteristics:

- they are limited to the following products: forward currency purchases and sales, currency swaps, cross currency swaps and purchases of currency options for currency risk hedging purposes, and interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes;
- they are used solely for hedging and pre-hedging purposes;
- they are contracted solely with high-quality French and foreign banks;
- they carry no liquidity risk in the event of reversal.

Gains and losses on financial instruments used for hedging purposes are recognised in the income statement symmetrically with gains and losses arising on the hedged item.

2.9 Retirement benefit obligations

Methods and assumptions used in calculating the obligation:

- projected unit credit method based on final salary;

- benefits as defined in agreements or established by custom within the company, taking into account applicable collective agreements for managerial, administrative, clerical, technical and supervisory grade staff;
- obligation measured in accordance with opinions and recommendations issued by the ANC (French national accounting standard-setter);
- vested rights as of 31 December 2020;
- employees classified in groups with similar characteristics in terms of grade, age and length of service;
- average monthly salary for each employee group, uplifted by a percentage to reflect the applicable rate of employer's social security charges;
- salary increase rate and discount rate: rates revised annually to reflect actual trends;
- average employee turnover rate calculated on the basis of the average number of leavers (voluntary departures only) over the last five years;
- mortality by reference to INSEE 2012-2014 life expectancy tables; and
- application of the revised IAS 19, further to the ANC Recommendation of November 2013: actuarial gains and losses are recognised in profit or loss.

2.10 Consolidation

Bouygues SA is the ultimate parent company in the consolidation.

Note 3 Non-current assets

	Balance at 31/12/2019	Increases	Decreases	Balance at 31/12/2020
Intangible assets				
Software	7	1		8
Other				
Gross value	**7**	**1**		**8**
Accumulated amortisation	(5)	(1)		(6)
CARRYING AMOUNT	**2**			**2**
Property, plant and equipment				
Land and buildings				
Other				
Gross value				
Accumulated depreciation				
CARRYING AMOUNT				
Long-term investments				
Holdings in subsidiaries and affiliates	9,658	603 [a]	500 [b]	9,761
Loans and advances to subsidiaries and affiliates				
Other	22			22
Gross value	**9,680**	**603**	**500**	**9,783**
Impairment	(68)	(8)		(76)
CARRYING AMOUNT	**9,612**	**595**	**500**	**9,707**
TOTAL CARRYING AMOUNT	**9,614**	**595**	**500**	**9,709**

(a) Includes:

- Colas: purchase of 68,424 shares for €9.75 million.
- Alstom: purchase of 1,645,215 shares for €48.53 million.
- Bouygues Telecom: subscription to the 28 December 2020 rights issue, 6,336,930 shares for €540.98 million.

(b) Includes:

- Alstom: carrying amount of the 11,000,000 shares sold, i.e. €449.13 million.
- Alstom: carrying amount of the 16,452,176 pre-emptive subscription rights sold, i.e. €48.81 million.

Note 4 Current assets by maturity

	Gross value	< 1 year	> 1 year
Advances and down-payments made on orders			
Trade receivables	28	28	
Other receivables	194	192	2
TOTAL	**222**	**220**	**2**

Note 5 Cash and cash equivalents

	31/12/2020	31/12/2019
Term deposits with maturities of less than 3 months	700	330
Other items	1,552	938
TOTAL	**2,252**	**1,268**

Note 6 Other assets and liabilities

	31/12/2019	Increases	Decreases	31/12/2020	Amount due in < 1 year
Assets					
Bond issue costs	5	4	(2)	7	2
Upfront payments on interest rate swaps: deferred charges	42	52	(12)	82	14
Bond redemption premium	9	7	(2)	14	2
Bond repurchase premium					
Other	1	1		2	2
TOTAL	**57**	**64**	**(16)**	**105**	**20**
Liabilities					
Upfront payments on interest rate swaps: deferred income					
Other					
TOTAL					

Note 7 Change in shareholders' equity

SHAREHOLDERS' EQUITY AT 31 DECEMBER 2019 (BEFORE APPROPRIATION OF PROFITS)	**6,653**
Dividends paid	(647)[a]
SHAREHOLDERS' EQUITY AFTER APPROPRIATION OF PROFITS	**6,006**
Changes in share capital	1
Changes in share premium and reserves	22 [b]
Retained earnings	
Net profit/(loss) for the period	698
Investment grants	
Restricted provisions	(1)
Other movements	
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2020	**6,726**

(a) The Ordinary General Meeting of 4 September 2020 approved the payment of a dividend of €1.70 per share.
Bouygues SA paid out €647 million on 11 September 2020.
(b) Includes €21.2 million from stock options exercised during the year.

Note 8 Composition of share capital

	Number of voting rights	Number of shares
START OF PERIOD	**509,048,266**	**379,828,120**
Movements during the period	5,719,161	931,722[a]
END OF PERIOD	**514,767,427**	**380,759,842**
PAR VALUE (€)		**1**

Maximum number of potentially dilutive shares: 4,570,043

(a) Movements during the period:

Exercise of stock options: 931,722 shares issued for €22.1 million

- €0.9 million in share capital
- €21.2 million in share premium

Note 9 Provisions

	31/12/2019	Charge for the year	Reversals during the year: Used	Reversals during the year: Unused	31/12/2020
Provisions for subsidiaries	1	1			2
Provisions for income taxes (tax risks)	1				1
Other provisions	7				7
Provisions for risks	**9**	**1**			**10**
Provisions for charges	**37**	**16**	**(20)**	**(2)**	**31**
TOTAL	**46**	**17**	**(20)**	**(2)**	**41**
			(22)		
Operating items		16	(22)		
Financial items		1			
Exceptional items (including taxes)					
		17	**(22)**		

Note 10 Liabilities by maturity at the end of the reporting period

Liabilities	Gross value	< 1 year	1 to 5 years	> 5 years
Debt				
Bond issues (including accrued interest)				
October 2006 bond issue [a]	603	8		595
February 2012 bond issue [b]	832	32	800	
October 2012 bond issue [c]	724	24	700	
December 2016 bond issue [d]	756	6		750
April 2020 bond issue [e]	1,008	8		1,000
Bank borrowings [f]	40	40		
Other borrowings [g]	60		60	
Total debt	**4,023**	**118**	**1,560**	**2,345**
Trade payables	**28**	**28**		
Other payables	**93**	**93**		
Overdrafts and short-term bank borrowings	**1,591**	**1,591**		
Deferred income				
TOTAL	**5,735**	**1,830**	**1,560**	**2,345**

Original amounts, excluding accrued interest:

(a) October 2006 bond issue:

- Amount: £400 million (€595.33 million) – Rate: 5.5%
- Redemption terms: redeemable in full at par on 6 October 2026

(b) February 2012 bond issue:

- Amount: €800 million – Rate: 4.50%
- Redemption terms: redeemable in full at par on 9 February 2022

(c) October 2012 bond issue:

- Amount: €700 million – Rate: 3.625%
- Redemption terms: redeemable in full at par on 16 January 2023

(d) December 2016 bond issue:

- Amount: €750 million – Rate: 1.375%
- Redemption terms: redeemable in full at par on 7 June 2027

(e) April 2020 bond issue:

- Amount: €1,000 million – Rate: 1.125%
- Redemption terms: redeemable in full at par on 24 July 2028

(f) Commercial paper:

- Amount: €40 million

(g) July 2019 loan agreement between Bouygues and Uniservice:

- Amount: €60 million – Rate: statutory interest rate prevailing in Switzerland

Note 11 Details of amounts involving related companies

	Gross amount		Gross amount
Assets		**Liabilities**	
Long-term investments	9,761	Debt	60
Operating receivables	28	Trade payables	2
Other receivables	12	Other payables	80
Cash and current accounts		Bank overdrafts and current accounts	1,591
TOTAL	**9,802**	**TOTAL**	**1,733**
Expenses		**Income**	
Operating expenses	14	Sales and other operating income	75
Financial expenses	3	Financial income	807
Income tax expense		Income tax gains	61
TOTAL	**17**	**TOTAL**	**943**

Note 12 Financial instruments

12.1 Interest rate and currency hedges by maturity

	< 1 year	1 to 5 years	> 5 years	Total
Forward purchases				
Forward sales				
Currency swaps				
Interest rate swaps		100		100
Interest rate options (caps, floors)				

12.2 Interest rate and currency hedges by original currency

	EUR	CHF	GBP	USD	Other currencies	Total
Forward purchases						
Forward sales						
Currency swaps						
Interest rate swaps	100					100
Interest rate options (caps, floors)						

12.3 Options

None.

Note 13 Off balance sheet commitments given and received

	Amount of guarantee	of which related companies
Commitments given (contingent liabilities)		
Other commitments given [a] [b]	209	109
TOTAL	**209**	**109**
Commitments received (contingent assets)		
Other commitments received [b]	108	
TOTAL	**108**	

(a) Includes joint and several underwriting of credit facilities: €100.6 million.

(b) Includes interest rate swaps (€100 million), and joint and several underwriting of the Francis Bouygues Foundation (€8.4 million over four years from 2021 to 2024).

Note 14 Sales

Sales recorded by Bouygues SA mainly comprise costs of shared support functions recharged to subsidiaries.

Note 15 Financial income and expenses

	2020	2019
Dividend income and shares of partnership profits	807	1,133 [a]
Interest income	1	2
Interest expense	(187)	(174)
Other financial income/(expense), net: proceeds from disposals, impairment losses and provisions	35	110
TOTAL	**657**	**1,071**

(a) Dividends for 2019 include the distribution of an exceptional dividend by Alstom (€341.47 million).

(b) In 2020, neither TF1 nor Bouygues Immobilier paid a dividend; the amount paid in 2019 was €207.82 million. Bouygues Construction, Colas and Bouygues Telecom paid out €222.44 million more in 2020 than in 2019.

Note 16 Group tax election and income tax gain/expense

Bouygues made a group tax election in 1997 under Article 223-A-U of the French General Tax Code; this election still applies.

In addition to Bouygues SA, the group tax election included 76 subsidiaries in 2020.

Each company in the tax group recognises its own income tax expense as though the group tax election is not in place; the parent company recognises any tax savings.

Bouygues recognised an income tax gain for 2020, which breaks down as follows:

	Short-term	Long-term	Total
Net income tax gain/(expense)	1		1
Income tax received from profitable subsidiaries in the tax group	64	3	67
TOTAL	**65**	**3**	**68**

The €1 million difference from the figure reported in the income statement derives from a tax gain of €0.6 million on tax inspections of subsidiaries included in the group tax election; tax credits lost by subsidiaries that left the group tax election of €0.2 million; and an adjustment to 2019 income tax of €0.2 million.

Note 17 Contingent tax position

	31/12/2019		Movements in the year		31/12/2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Non-deductible expenses						
Provisions for income taxes	1				1	
Other non-deductible expenses	24		1		25	
TOTAL	**25**		**1**		**26**	
Expenses deductible for tax purposes/income liable to tax but not recognised for accounting purposes						
Unrealised foreign exchange losses						
Unrealised foreign exchange gains						
Unrealised foreign exchange gains/losses, net						
Deferred income						
Deferred charges						
Capitalisation bonds						
Liquidity account						
Bond repurchase premium						
Other income and expenses						
TOTAL						

As of 31 December 2020, the stock of tax losses available for carry-forward under the group tax election represents a tax base of €459 million.

Note 18 Average number of employees during the year

	2020	2019
Managerial staff	179	171
Administrative, clerical, technical and supervisory staff	11	14
TOTAL	**190**	**185**

Note 19 Advances, loans and remuneration paid to directors and senior executives

Remuneration of directors and senior executives in post as of 31 December 2020 in respect of the year then ended:

- total amount of direct and indirect remuneration of all kinds received by senior executives (Chairman and Chief Executive Officer, and Deputy Chief Executive Officer) €2.4 million of basic remuneration, €2.06 million of variable remuneration based on 2020 performance, and €0.14 million of remuneration for participation in Board meetings; and
- remuneration paid to non-executive directors: €0.81 million.

Note 20 List of investments

	Number of shares	%	Estimated realisable value
Alstom	23,581,441	7.993	1,099 [b]
Bouygues Construction	1,705,200	99.940	812 [c]
Bouygues Immobilier	90,930	100.000	442 [c]
Bouygues Telecom	48,495,576	90.164	5,816 [a]
Colas	31,611,646	96.806	2,515 [c]
TF1	91,946,297	43.702	732 [a]
Other holdings			230
TOTAL HOLDINGS IN SUBSIDIARIES AND AFFILIATES			**11,646**
Negotiable debt instruments and money-market mutual funds			193 [a b]
Capitalisation bonds			1 [a b]
Other investments			22 [a b]
TOTAL SHORT-TERM INVESTMENTS			**216**
TOTAL INVESTMENTS			**11,862**

The estimated realisable value shown is:

(a) Carrying amount (net book value).

(b) Stock market value (quoted closing price on 31 December 2020).

(c) Share of consolidated net assets.

Note 21 List of subsidiaries and affiliates

	Share capital [a]	Other shareholders' equity [a] [b]	%	Carrying amount [c]		Loans and advances	Guarantees [c]	Sales [c]	Net profit/ (loss) [c]	Dividends received [c]
				Gross	Net					
A – Detailed information										
1. SUBSIDIARIES (> 50%)										
France										
Bouygues Construction [d]	128	685	99.94	59	59			12,047	154	325
Bouygues Immobilier [d]	139	303	100.00	315	315			2,032	(30)	
Bouygues Telecom [d]	820	3,745	90.16	5,816	5,816			6,438	417	271
Colas [d]	49	2,548	96.81	1,722	1,722			12,297	94	202
TOTAL				**7,912**	**7,912**					**798**
Other countries										
Uniservice	51	21	99.99	32	32				8	9
TOTAL				**32**	**32**					**9**
2. AFFILIATES (INTEREST > 10%, ≤ 50%)										
France										
TF1 [d]	42	1,554	43.70	732	732			2,082	54	
TOTAL				**732**	**732**					
Other countries										
TOTAL										
B – Aggregate information										
3. OTHER SUBSIDIARIES										
France				**1,084** [e]	**1,009** [e]			**3,560** [f]	**168** [g]	
Other countries				**1**				**2**		
4. OTHER AFFILIATES										
France								**122**	**6**	
Other countries								**34**		
OVERALL TOTAL				**9,761**	**9,685**					**807**

(a) In local functional currency.
(b) Including net profit/loss for the year.
(c) In euros.
(d) Parent company of a business segment: share capital, other shareholders' equity, sales and net profit/loss on a consolidated basis for the segment as of 31 December 2020.
(e) Includes €895 million for Alstom.
(f) Includes €3,518 million for Alstom – half-year figure published as of 30 September 2020.
(g) Includes €175 million for Alstom – half-year figure published as of 30 September 2020.

7.4 AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

To the Annual General Meeting of the shareholders of Bouygues,

Opinion

In accordance with the assignment entrusted to us by your Annual General Meetings, we have conducted our audit of the accompanying parent company financial statements of Bouygues for the year ended 31 December 2020.

In our opinion, the parent company financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2020, and of the results of its operations for the year then ended, in accordance with French Generally Accepted Accounting Principles (GAAP).

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Basis for our opinion

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are described in the section "Auditors' responsibilities for the audit of the parent company financial statements" below.

Independence

We conducted our audit engagement in compliance with the rules on independence contained in the Commercial Code and in the code of ethics of the auditing profession during the period from 1 January 2020 to the date of issuance of this report. Specifically, we provided no services prohibited by Article 5, Paragraph 1 of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

The global crisis caused by the Covid-19 pandemic created challenging conditions for the preparation and audit of this year's financial statements. The crisis – and the unprecedented public health measures taken in response – had multiple consequences for businesses, especially on their operations and finances, and also created increased uncertainty about their future prospects. Some of those measures, such as travel restrictions and teleworking, also had an impact on internal organisation within companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, pursuant to Articles L. 823-9 and R. 823-7 of the Commercial Code regarding the justification of our assessments, we draw your attention to key audit matters that relate to those risks of material misstatement that in our professional judgment were of the most significance in the audit of the parent company financial statements for the year, and our response to those risks.

Our assessment should be seen in the context of the audit of the parent company financial statements taken as a whole, and of the formation of our opinion as expressed above. We do not express an opinion on elements of the parent company financial statements taken in isolation.

Measurement of long-term investments

Identified risk	Our response
Long-term investments, as shown in the balance sheet as of 31 December 2020 at an amount of €9.7 billion, mainly comprise the holdings in subsidiaries and affiliates listed in Note 21 to the parent company financial statements. • As explained in Note 2.3.1 to the parent company financial statements, holdings in subsidiaries and affiliates and other long-term investment securities are recognised at cost, including directly attributable acquisition costs. Their value in use (realisable value) is determined using objective criteria, forecast data, or any other information indicative of the actual value of the asset. If value in use is less than the carrying amount, a provision for impairment is recorded to cover the difference. • As explained in Note 2.3.2 to the parent company financial statements, long-term receivables are shown in the balance sheet at face value. If the realisable value (taking into account the probability of recovery) is less than the carrying amount, a provision for impairment is recorded to cover the difference. We identified the measurement of long-term investments as a key audit matter, insofar as it is sensitive to the estimates and assumptions used by management and hence can have a material effect on the financial statements.	Our principal procedures are summarised below: • We obtained an understanding of the budgetary process and key controls associated with that process in order to determine the value in use of holdings in subsidiaries and affiliates and other long-term investments. • We assessed the methods used to calculate value in use, in particular the cash flow projections for the companies in which the holdings are owned. • With assistance from our valuation experts, we assessed the discount rates used in calculating value in use. • We tested the arithmetical accuracy of value in use calculations carried out by Bouygues. • Where appropriate, we performed sensitivity analyses, particularly for holdings in subsidiaries and affiliates whose value in use was close to their carrying amount. • We assessed the recoverability of long-term receivables by reference to analyses performed on holdings in subsidiaries and affiliates and other long-term investment securities. • We checked the information provided in the notes to the parent company financial statements, in particular the description used to determine the realisable value of significant holdings.

Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations.

Information given in the management report and in other documents addressed to the shareholders about the financial position and the parent company financial statements

We have no matters to report as to the fair presentation and consistency with the parent company financial statements of the information given in the Board of Directors' management report and in other documents addressed to the shareholders about the financial position and the parent company financial statements.

We hereby attest that the information about payment terms provided in accordance with Article D. 441-4 of the Commercial Code is fairly presented and consistent with the parent company financial statements.

REPORT ON CORPORATE GOVERNANCE

We hereby attest that the information required under Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the Commercial Code is contained in the Board of Directors' report on corporate governance.

As regards the information required under Article L. 22-10-9 of the Commercial Code on the remuneration and benefits paid or awarded to corporate officers and commitments made in their favour, we have verified its consistency with the financial statements or with the underlying data used to prepare these financial statements and, where applicable, with items obtained by your company from companies that are controlled by it and are included in the scope of consolidation. Based on those procedures, we attest that this information is accurate and fairly presented.

As regards the information required under Article L. 22-10-11 of the Commercial Code on factors your company regards as likely to have an impact in the event of a public tender offer or public exchange offer, we have verified its consistency with the source documents as communicated to us. Based on those procedures, we have no matters to report on this information.

Other information

In accordance with law, we have verified that the required information about the identity of shareholders and holders of voting rights has been disclosed to you in the management report.

Other verifications or information required under legal or regulatory obligations

Presentation format for parent company financial statements intended for inclusion in the annual financial report

In accordance with point III of Article 222-3 of the AMF General Regulation, your company's management has informed us of their decision to defer first-time application of the single electronic reporting format as defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 until accounting periods commencing on or after 1 January 2021. Consequently, the present report does not include a conclusion on compliance with that format in the presentation of the parent company financial statements intended for inclusion in the annual financial report mentioned in Article L. 451-1-2 I of the Monetary and Financial Code.

Appointment as auditors

We were appointed as auditors of Bouygues by your Annual General Meetings of 24 April 2003 (Ernst & Young Audit) and of 10 June 1998 (Mazars).

As of 31 December 2020, Ernst & Young Audit was in its eighteenth uninterrupted year as auditor, and Mazars in its twenty-third.

Responsibilities of management, and of those charged with governance, for the parent company financial statements

It is the responsibility of management to prepare parent company financial statements that give a true and fair view in accordance with French Generally Accepted Accounting Principles (GAAP), and to implement such internal control as it determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern; to disclose in those financial statements any matters relating to going concern; and to apply the going concern basis of accounting unless it is intended to liquidate the company or cease trading.

It is the responsibility of the Audit Committee to oversee the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and of internal audit, as regards procedures for preparing and processing accounting and financial information.

The parent company financial statements have been closed off by the Board of Directors.

Auditors' responsibilities for the audit of the parent company financial statements

Objective and audit approach

It is our responsibility to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the Commercial Code, our audit does not involve guaranteeing the viability of the company or the quality of how it is managed.

As part of an audit in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. In addition, the auditor:

- identifies and assesses the risks of material misstatement of the parent company financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the parent company financial statements;
- concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Those conclusions are based on the audit evidence obtained up to the date of the auditor's report, with the caveat that future events or conditions may cause a company to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer;
- evaluates the overall presentation of the parent company financial statements, and whether the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view of them.

Report to the Audit Committee

We submit a report to the Audit Committee that describes inter alia the scope of our audit, the work programme followed, and our findings. We also inform the Audit Committee of any significant deficiencies in internal control we identified as regards the procedures used for the preparation and processing of accounting and financial information.

The information contained in our report to the Audit Committee includes those risks of material misstatement that we determined were of most significance in the audit of the parent company financial statements of the current period and are therefore the key audit matters that we are required to describe in the present report.

We also provide the Audit Committee with written confirmation (as required under Article 6 of Regulation (EU) No. 537-2014) of our independence, within the meaning of the rules applicable in France and contained inter alia in Articles L. 822-10 to L. 822-14 of the Commercial Code and in the code of ethics of the French auditing profession. Where applicable, we also communicate with the Audit Committee about risks to our independence, and related safeguards.

Paris-La Défense, 17 February 2021

The Statutory Auditors

ERNST & YOUNG Audit	**MAZARS**
Nicolas Pfeuty	Gilles Rainaut

COMBINED ANNUAL GENERAL MEETING OF 22 APRIL 2021

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8.1 AGENDA

8.1.1 Ordinary General Meeting

1. Approval of the parent company financial statements for the year ended 31 December 2020;
2. Approval of the consolidated financial statements for the year ended 31 December 2020;
3. Appropriation of 2020 earnings, setting of dividend;
4. Approval of the regulated agreements specified in Articles L. 225-38 et seq of the Commercial Code;
5. Approval of the remuneration policy for Executive Officers;
6. Approval of the remuneration policy for directors;
7. Approval of the information about the remuneration of corporate officers mentioned in paragraph 1 of Article L. 22-10-9 of the Commercial Code;
8. Approval of the components of the total remuneration and benefits of all kinds paid during or awarded in respect of the 2020 financial year to Martin Bouygues, Chairman and Chief Executive Officer;
9. Approval of the components of the total remuneration and benefits of all kinds paid during or awarded in respect of the 2020 financial year to Olivier Bouygues, Deputy Chief Executive Officer until 31 August 2020;
10. Approval of the components of the total remuneration and benefits of all kinds paid during or awarded in respect of the 2020 financial year to Philippe Marien, Deputy Chief Executive Officer until 19 February 2020;
11. Approval of the components of the total remuneration and benefits of all kinds paid during or awarded in respect of the 2020 financial year to Olivier Roussat, Deputy Chief Executive Officer;
12. Renewal of the term of office of Martin Bouygues as a director;
13. Appointment of Pascaline de Dreuzy as a director;
14. Reappointment of Ernst & Young Audit as a principal auditor;
15. Authorisation to the Board of Directors to trade in the company's shares, for a period of eighteen months.

8.1.2 Extraordinary General Meeting

16. Authorisation to the Board of Directors, for a period of eighteen months, to reduce the share capital by cancelling treasury shares held by the company;
17. Delegation of competence to the Board of Directors, for a period of twenty-six months, to increase share capital, with pre-emptive rights for existing shareholders maintained, by issuing shares and all securities giving immediate and/or future access to shares in the company or one of its subsidiaries;
18. Delegation of competence to the Board of Directors, for a period of twenty-six months, to increase share capital by incorporating share premium, reserves or earnings, or other amounts into capital;
19. Delegation of competence to the Board of Directors, for a period of twenty-six months, to increase share capital by way of public offerings other than those mentioned in Article L. 411-2 of the Monetary and Financial Code, without pre-emptive rights for existing shareholders, by issuing shares and all securities giving immediate and/or future access to shares in the company or one of its subsidiaries;
20. Delegation of competence to the Board of Directors, for a period of twenty-six months, to increase share capital by way of public offerings mentioned in Article L. 411-2 1° of the Monetary and Financial Code, without pre-emptive rights for existing shareholders, by issuing shares and all securities giving immediate and/or future access to shares in the company or one of its subsidiaries;
21. Authorisation to the Board of Directors, for a period of twenty-six months, to set the price, in accordance with the terms decided by the Annual General Meeting, for immediate or future issues of equity securities, without pre-emptive rights for existing shareholders;
22. Delegation of competence to the Board of Directors, for a period of twenty-six months, to increase the number of securities to be issued in the event of a capital increase, with or without pre-emptive rights for existing shareholders;
23. Delegation of powers to the Board of Directors, for a period of twenty-six months, to increase the share capital, without pre-emptive rights for existing shareholders, as consideration for contributions in kind to the company consisting of another company's equity securities or securities giving access to its capital outside of a public exchange offer;
24. Delegation of competence to the Board of Directors, for a period of twenty-six months, to increase share capital, without pre-emptive rights for existing shareholders, as consideration for securities tendered to a public exchange offer initiated by the company;
25. Delegation of competence to the Board of Directors, for a period of twenty-six months, to issue shares, without pre-emptive rights for existing shareholders, following the issuance, by a Bouygues subsidiary, of securities giving access to shares in the company;
26. Delegation of competence to the Board of Directors, for a period of twenty-six months, to increase the share capital, without pre-emptive rights for existing shareholders, for the benefit of employees or corporate officers of the company or related companies who are members of a company savings scheme;
27. Authorisation to the Board of Directors, for a period of twenty-six months, to grant stock subscription or stock purchase options to employees or corporate officers of the company or related companies;
28. Authorisation to the Board of Directors, for a period of twenty-six months, to allot existing or new shares free of charge, entailing the waiver by shareholders of their pre-emptive rights, in favour of employees or corporate officers of the company or related companies;

29. Authorisation to the Board of Directors, for a period of twenty-six months, to allot existing or new shares free of charge as a retirement benefit, entailing the waiver by shareholders of their pre-emptive rights, in favour of eligible employees or corporate officers of the company or related companies;
30. Delegation of competence to the Board of Directors, for a period of eighteen months, to issue equity warrants during the period of a public offer for the company's shares, up to a limit of 25% of the share capital;
31. Amendment to Article 13 of the articles of association to amend the age limit for the Chairman of the Board of Directors;
32. Powers to accomplish formalities.

8.2 BOARD OF DIRECTORS' REPORT AND RESOLUTIONS SUBMITTED TO THE COMBINED ANNUAL GENERAL MEETING

This section presents the draft resolutions that will be submitted to the Combined Annual General Meeting of Bouygues shareholders, and the Board of Directors' report explaining the rationale for those resolutions.

8.2.1 Ordinary General Meeting

Resolutions 1, 2 and 3 – Approval of the parent company and consolidated financial statements for the year ended 31 December 2020, appropriation of 2020 earnings and setting of the dividend (€1.70 per share)

In the **first and second resolutions**, we ask you, having acquainted yourselves with the reports of the Board of Directors and the auditors, to approve:

- the parent company financial statements for the year ended 31 December 2020, showing net profit of €697,576,616.58; and
- the consolidated financial statements for the year ended 31 December 2020, showing net profit attributable to the Group of €696 million.

Those financial statements and reports are included in this Universal Registration Document; they are also available on www.bouygues.com. The Convening Notice to the Annual General Meeting contains a set of condensed consolidated financial statements.

The financial year ended 31 December 2020 gave distributable earnings of €3,143,521,795.06, consisting of the following:

- net profit for the year: €697,576,616.58;
- transfer to the legal reserve: €(93,172.20);
- retained earnings brought forward: €2,446,038,350.68.

In the **third resolution** we propose that you appropriate earnings as follows:

- distribute a total dividend of €647,291,731.40;
- appropriate the remainder, i.e. €2,496,230,063.66, to retained earnings.

The payout represents an ordinary dividend of €1.70 for each of the 380,759,842 existing shares at 31 December 2020. This dividend is eligible for the optional 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code. Retained earnings amount to €2,496,230,063.66.

The dividend ex-date will be 4 May 2021, and the payment date will be 6 May 2021.

In accordance with Article 243 bis of the General Tax Code, the dividend amounts paid out in respect of the last three financial years are listed in the third resolution below.

First resolution

(APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the Board of Directors' report and the auditors' report, hereby approves the parent company financial statements for the year ended 31 December 2020 as presented to it, showing a net profit of €697,576,616.58, as well as the transactions recorded in those financial statements and summarised in those reports.

Second resolution

(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the consolidated financial statements for the year ended 31 December 2020, the Board of Directors' report and the auditors' report, hereby approves the consolidated financial statements for the year ended 31 December 2020, showing a net profit attributable to the Group of €696 million, as well as the transactions recorded in those financial statements and summarised in those reports.

Third resolution

(APPROPRIATION OF 2020 EARNINGS, SETTING OF DIVIDEND)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, notes that net profit for the year ended 31 December 2020 amounts to €697,576,616.58, which minus the transfer to the legal reserve of €93,172.20 and plus retained earnings of €2,446,038,350.68 gives distributable earnings of €3,143,521,795.06.

The meeting resolves, on the proposal of the Board of Directors, to appropriate earnings as follows:

€	
Net profit for the year	697,576,616.58
Transfer to the legal reserve	(93,172.20)
Retained earnings brought forward	2,446,038,350.68
Appropriation	
Ordinary dividend [a]	647,291,731.40
Retained earnings carried forward	2,496,230,063.66

(a) €1.70 x 380,759,842 shares (number of shares at 31 December 2020).

Accordingly, the dividend for the year ended 31 December 2020 is hereby set at a total of €1.70 per share carrying dividend rights.

The ex-date for the Euronext Paris market will be 4 May 2021, and the dividend will be payable in cash on 6 May 2021 based on positions qualifying for payment on the evening of 5 May 2021.

The entire dividend payout will be eligible for the 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code for taxpayers who have elected liability for income tax on a sliding scale basis.

If the Company holds some of its own shares at the dividend payment date, the dividends not paid on those shares shall be allocated to retained earnings.

In accordance with law, the Annual General Meeting notes that the following dividends were distributed in respect of the three preceding financial
years.

	2017	2018	2019
Number of shares	366,125,285 [c]	372,377,939 [d]	380,422,833 [e]
Ordinary dividend per share (€)	1.70	1.70	1.70
Total dividend (€) [a] [b]	620,427,649.70	631,323,719.80	646,608,316.10

(a) The amounts shown represent dividends actually paid, taking account of the fact that shares held by the company itself do not qualify for dividends.

(b) Amounts eligible for the optional 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code.

(c) On 31 December 2017, the share capital comprised 366,125,285 shares. Given the cancellation of 1,157,844 shares by the Board of Directors on 21 February 2018, the number of shares entitled to dividend was 364,967,441.

(d) On 31 December 2018, the share capital comprised 372,377,939 shares. Given the cancellation of 869,832 shares by the Board of Directors on 20 February 2019, the number of shares entitled to dividend was 371,508,107.

(e) The General Meeting of 4 September 2020 approved payment of a dividend for each share existing at midnight on the day before that meeting, i.e. a total of 380,422,833 shares.

Resolution 4 – Approval of regulated agreements

We ask you to approve the regulated agreements entered into and authorised by the Board of Directors in 2020 and in early 2021, between Bouygues and:

- one of its corporate officers (Executive Officer, director);
- a company in which a corporate officer of Bouygues also holds a directorship;
- a shareholder holding more than 10% of the voting rights of Bouygues.

This approval is part of what is known as the regulated (or related-party) agreements procedure, which aims to prevent potential conflicts of interest.

In accordance with law, these agreements were approved by the Board of Directors prior to signature, the directors concerned having abstained from voting. The auditors' special report on regulated agreements is in chapter 8, section 8.3 of this Universal Registration Document. The agreements mentioned in the auditors' special report that were approved by general meetings in previous years do not have to be voted on again by this Annual General Meeting.

Shared service agreements between Bouygues and its subsidiaries

At its 18 November 2020 meeting, the Board of Directors authorised the renewal, for a period of one year starting 1 January 2021, of shared service agreements between Bouygues and its subsidiaries.

Shared service agreements are standard in groups of companies. They enable Bouygues, as the parent company of the Group, to provide its subsidiaries with services and expertise in areas such as management, human resources, information technology, legal affairs, finance, etc. Bouygues and its main subsidiaries sign annual agreements relating to these services, so that each business segment can request the services and expertise it needs.

The principle behind these agreements is based on rules for allocating and invoicing the cost of shared services, including specific services and a share of residual costs, up to a limit expressed as a percentage of sales of the subsidiary concerned. The share of residual costs is invoiced at cost plus a margin of 10% for high value-added services and 5% for low value-added services.

In 2020, Bouygues invoiced the following amounts under these shared service agreements:

- Bouygues Construction: €18 million
- Colas: €18 million
- TF1: €3 million
- Bouygues Telecom: €9.3 million

Amendment to the internal audit service agreement between Bouygues and Bouygues Telecom

At its 18 November 2020 meeting, the Board of Directors authorised the conclusion of a sixth amendment to the internal audit service agreement between Bouygues and Bouygues Telecom, to extend it to 31 December 2021.

This agreement enables Bouygues Telecom to be provided with internal audit services specific to the telecoms industry that contribute to the smooth running of this subsidiary and are sourced from Bouygues.

The amount of services sourced from Bouygues is €350,000 excluding VAT for 2021, the same as in 2020.

Cross-charging to subsidiaries of pension contributions for their senior executives

At its 18 November 2020 meeting, the Board of Directors authorised the renewal, for a period of two years starting 1 January 2020, of the agreements whereby Bouygues cross-charges its subsidiaries Bouygues Construction, Colas, TF1 and Bouygues Telecom for contributions to the supplementary pension scheme to which their respective senior executives are entitled. Under the scheme, each beneficiary receives a benefit of 0.92% of their reference salary per year of service with the Group, capped at eight times the annual Social Security ceiling (giving a cap of €329,088 in 2020). The scheme is contracted out to an insurance company.

As an indication, in 2020 Bouygues cross-charged the following amounts to its subsidiaries:

- Bouygues Construction: €0.6 million
- Colas: €0.6 million
- TF1: €0.6 million
- Bouygues Telecom: €0.24 million

Reciprocal service agreement between Bouygues and SCDM

At its 17 February 2021 meeting, the Board of Directors authorised the signature of a reciprocal service agreement between Bouygues and SCDM, for a period of one year starting 1 January 2021.

SCDM, a company controlled by Martin Bouygues and Olivier Bouygues, provides consultancy services in strategy, development, research and analysis into strategic developments and growth of the Bouygues group, major investments and divestments, and multi-year plans. SCDM has a team of specialists with extensive experience of mergers and acquisitions, and strategy.

For its part, Bouygues provides SCDM with specific assistance and support services, such as cash management, human resources management, information technology support.

Under the terms of this agreement, SCDM invoices Bouygues for costs actually incurred, subject to a cap of €2 million a year. This amount mainly corresponds to the remuneration awarded to Martin Bouygues by the Board of Directors in respect of his office as corporate officer, including social security and tax charges. The remainder is for the salaries of the strategy and development team, including social security and tax charges, as well as specific services.

Under this agreement entered into in the 2020 financial year, SCDM invoiced Bouygues €5.4 million excluding VAT. This amount mainly corresponds (86 % of the total) to the salaries of Martin Bouygues and Olivier Bouygues and the corresponding social security and tax charges. The remainder (14% of the total) is for the salaries of the members of their team and the corresponding social security and tax charges.

Bouygues invoiced SCDM €425,354.

Fourth resolution

(APPROVAL OF THE REGULATED AGREEMENTS SPECIFIED IN ARTICLES L. 225-38 ET SEQ OF THE COMMERCIAL CODE)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the auditors' special report on regulated agreements specified in Articles L. 225-38 et seq of the Commercial Code, hereby approves the regulated agreements set out in that report that have not yet been approved by an Annual General Meeting.

Resolutions 5 and 6 – Approval of the remuneration policy for corporate officers (ex ante Say on Pay)

In accordance with the provisions of Article L. 22-10-8 of the Commercial Code, the shareholders are required to vote on the remuneration policy for corporate officers.

- In the **fifth resolution**, we ask you to approve the remuneration policy for the Executive Officers.
- In the **sixth resolution**, we ask you to approve the remuneration policy for directors.

In line with the changes to the governance structure decided upon by the Board of Directors on 17 February 2021, acting on a proposal from Martin Bouygues and a recommendation from the Selection and Remuneration Committee, the 2021 remuneration policy for Executive Officers will be implemented as follows:

- for the period from 1 January to the Board meeting of 17 February 2021: the 2020 remuneration policy will remain in effect, and will be applicable to Martin Bouygues in his capacity as Chairman and Chief Executive Officer and Olivier Roussat in his capacity as Deputy Chief Executive Officer;
- from 17 February 2021: a new remuneration policy for 2021 will take effect that reflects the changes to the company's governance structure, and which will be applicable to Martin Bouygues in his capacity as Chairman of the Board of Directors; to Olivier Roussat in his capacity as Chief Executive Officer; and to Edward Bouygues and Pascal Grangé in their capacities as Deputy Chief Executive Officers.

That policy was signed off by the Board of Directors on 17 February 2021, on the basis of proposals from the Selection and Remuneration Committee. It serves the corporate interests of Bouygues, help secure its long-term future, and is in line with its commercial strategy. The policy is described in section 5.4.1 (Remuneration policy) of this Universal Registration Document.

Fifth resolution

(APPROVAL OF THE REMUNERATION POLICY FOR EXECUTIVE OFFICERS)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings and having acquainted itself with the Report on corporate governance prepared pursuant to paragraph II of Article L. 22-10-8 of the Commercial Code, hereby approves the remuneration policy for Executive Officers. This policy is described in section 5.4.1 (Remuneration policy) of this Universal Registration Document.

Sixth resolution

(APPROVAL OF THE REMUNERATION POLICY FOR DIRECTORS)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings and having acquainted itself with the Report on corporate governance prepared pursuant to paragraph II of Article L. 22-10-8 of the Commercial Code, hereby approves the remuneration policy for directors. This policy is described in section 5.4.1 (Remuneration policy) of this Universal Registration Document.

Resolutions 7 to 11 – Approval of the remuneration of corporate officers in respect of 2020 (ex post Say on Pay)

In accordance with the provisions of Article L. 22-10-9-34 I of the Commercial Code, we propose in the **seventh resolution** that you approve the information on the remuneration of corporate officers mentioned in Article L. 22-10-9 of the Commercial Code.

We also propose, in the **eight to eleventh resolutions**, that you approve the total remuneration and benefits of all kinds paid during 2020 or awarded in respect of the 2020 financial year to the Executive Officers, in accordance with the provisions of Article L. 22-10-34 of the Commercial Code.

You are reminded that the Board meeting of 28 July 2020, acting on a recommendation from the Selection and Remuneration Committee, and in accordance with the announcement made by the Chairman and Chief Executive Officer of Bouygues at the Annual General Meeting on 23 April 2020, decided to cut the overall (fixed and variable) remuneration of the Executive Officers by 25% in response to the exceptional circumstances arising from the Covid-19 pandemic. In addition, a new performance criterion was introduced assessing the speed and effectiveness of the Executive Officers in responding to the public health crisis vis-à-vis the company's employees and stakeholders, and in limiting the impacts of the crisis.

In accordance with the provisions of Article L. 22-10-8 of the Commercial Code, the remuneration policy for Executive Officers was amended and approved by the Ordinary General Meeting of 4 September 2020.

Acting on a recommendation from the Selection and Remuneration Committee, the Board meeting of 17 February 2021 approved the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during 2020 or awarded in respect of the 2020 financial year to the Executive Officers, in accordance with the remuneration policy approved by the Annual General Meeting of 23 April 2020 (fifth and sixth resolutions), as amended by the Ordinary General Meeting of 4 September 2020 (second resolution).

Those components are described in section 5.4.2 (Remuneration of corporate officers in 2020) of this Universal Registration Document.

Seventh resolution

(APPROVAL OF THE INFORMATION ABOUT THE REMUNERATION OF CORPORATE OFFICERS MENTIONED IN PARAGRAPH 1 OF ARTICLE L. 22-10-9 OF THE COMMERCIAL CODE)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to paragraph I of Article L. 22-10-34 of the Commercial Code, and having acquainted itself with the Report on corporate governance, hereby approves the information published pursuant to paragraph I of Article L. 22-10-9 of the Commercial Code.

Eighth resolution

(APPROVAL OF THE COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID DURING OR AWARDED IN RESPECT OF THE 2020 FINANCIAL YEAR TO MARTIN BOUYGUES, CHAIRMAN AND CHIEF EXECUTIVE OFFICER)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the Report on corporate governance, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during or awarded in respect of the year ended 31 December 2020 to Martin Bouygues, Chairman and Chief Executive Officer, as presented.

Ninth resolution

(APPROVAL OF THE COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID DURING OR AWARDED IN RESPECT OF THE 2020 FINANCIAL YEAR TO OLIVIER BOUYGUES, DEPUTY CHIEF EXECUTIVE OFFICER UNTIL 31 AUGUST 2020)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the Report on corporate governance, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during or awarded in respect of the year ended 31 December 2020 to Olivier Bouygues, Deputy Chief Executive Officer until 31 August 2020, as presented.

Tenth resolution

(APPROVAL OF THE COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID DURING OR AWARDED IN RESPECT OF THE 2020 FINANCIAL YEAR TO PHILIPPE MARIEN, DEPUTY CHIEF EXECUTIVE OFFICER UNTIL 19 FEBRUARY 2020)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the Report on corporate governance, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during or awarded in respect of the year ended 31 December 2020 to Philippe Marien, Deputy Chief Executive Officer until 19 February 2020, as presented.

Eleventh resolution

(APPROVAL OF THE COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID DURING OR AWARDED IN RESPECT OF THE 2020 FINANCIAL YEAR TO OLIVIER ROUSSAT, DEPUTY CHIEF EXECUTIVE OFFICER)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the Report on corporate governance, hereby approves the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during or awarded in respect of the year ended 31 December 2020 to Olivier Roussat, Deputy Chief Executive Officer, as presented.

Resolutions 12 and 13 – Renewal of the term of one director and appointment of one independent director

The Board meeting of 17 February 2021 deliberated, in light of a report from the Selection and Remuneration Committee, on the changes in the composition of the Board that will be put to a shareholder vote at the forthcoming Annual General Meeting on 22 April 2021.

The terms of office as directors of Martin Bouygues and Anne-Marie Idrac expire at the end of that meeting.

The Board of Directors, acting on a recommendation from the Selection and Remuneration Committee, is proposing in the **twelfth resolution** that you renew the term of office of Martin Bouygues as a director, and in the **thirteenth resolution** that you appoint Pascaline de Dreuzy as a director.

In line with changes in corporate governance, the Board meeting of 17 February 2021, acting on a proposal from Martin Bouygues and a recommendation from the Selection and Remuneration Committee, decided to separate the functions of Chairman of the Board of Directors from those of Chief Executive Officer. Martin Bouygues was confirmed as Chairman of the Board of Directors, and Olivier Roussat was appointed as Chief Executive Officer, with immediate effect.

In order to implement this new governance structure and enable Martin Bouygues to continue giving the Board the benefit of his knowledge of all the Group's activities and of the people who make up the Group, we propose that you renew his term of office as a director.

Acting on a recommendation from the Selection and Remuneration Committee, the Board is also proposing (in the **thirteenth resolution**) that you appoint Pascaline de Dreuzy as a director.

Pascaline de Dreuzy holds an EMBA from HEC and a company director diploma from Sciences-Po-IFA, and has completed the financial analysis and corporate valuation modules of the Corporate Finance Certificate at ICCF-HEC. She is a Knight of the Légion d'Honneur.

She is the Chairwoman and founder of P2D Technology, a business that selects new technologies that can build bridges between industry and healthcare.

She became involved in the corporate world at an early age as a director of one of the family holding companies that controls the PSA group. She is extremely committed to corporate governance: at the end of her term of office on the Board of Insitut Français des Administrateurs (French Institute of Directors) she joined the institute's expert groups on ESG (Environmental, Social and Governance issues), Integrated Reporting, Risk Appetite and Family Company Governance. She currently co-chairs the group on corporate social responsibility, and one of the groups on environmental issues.

A doctor at Hôpitaux de Paris, she has been overseeing innovative and pioneering cross-functional projects at the Necker-Enfants Malades hospital group for more than 25 years.

Pascaline de Dreuzy will benefit the Board with her extensive experience of the corporate world and in-depth knowledge of corporate social responsibility. Her previous roles as director of a family holding company and of the Insitut Français des Administrateurs will also contribute to the quality of Board discussions.

The Board of Directors has examined the situation of Pascaline de Dreuzy with reference to the independence criteria contained in the Afep-Medef Code and has concluded that although she was a director of TF1, she had no business relationship with TF1. The Board of Directors has indicated that it regards Pascaline de Dreuzy as independent.

Subject to approval of these resolutions by the Annual General Meeting of 22 April 2021, the Board of Directors would still have fourteen members, including two directors representing employees and two directors representing employee shareholders. Its membership would be 50% independent directors (calculated excluding directors representing employees and directors representing employee shareholders), and 50% women (calculated excluding directors representing employees).

Twelfth resolution

(RENEWAL OF THE TERM OF OFFICE OF MARTIN BOUYGUES AS A DIRECTOR)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings and having acquainted itself with the Board of Directors' report, hereby renews the term of office of Martin Bouygues as a director for three years, expiring at the end of the Ordinary General Meeting called to approve the financial statements for 2023.

Thirteenth resolution

(APPOINTMENT OF PASCALINE DE DREUZY AS A DIRECTOR)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the Board of Directors' report, hereby appoints Pascaline de Dreuzy as a director for three years, replacing Anne-Marie Idrac whose term of office expires at the end of this Ordinary General Meeting. Pascaline de Dreuzy's term of office shall expire at the end of the Ordinary General Meeting called to approve the financial statements for 2023.

Resolution 14 – Reappointment of a principal auditor

The term of office of Ernst & Young Audit as a principal auditor expires at the end of the Annual General Meeting of 22 April 2021.

The Audit Committee conducted a process during 2020 aimed at ensuring audit continuity.

Consequently, in the **fourteenth resolution**, the Board of Directors is asking you to reappoint this principal auditor for a term of six financial years, expiring at the end of the Ordinary General Meeting called to approve the financial statements for the 2026 financial year.

In accordance with the provisions of Article L. 823-1 of the Commercial Code (as amended by Law No. 2016-1691 of 9 December 2016) and with the articles of association, the Board of Directors, acting on a recommendation from the Audit Committee, has decided not to renew the appointment of Auditex as an alternate auditor, which expires at the end of the Annual General Meeting of 22 April 2021.

Fourteenth resolution

(REAPPOINTMENT OF ERNST & YOUNG AUDIT AS A PRINCIPAL AUDITOR)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings and having acquainted itself with the Board of Directors' report, hereby reappoints Ernst & Young Audit (a company with its registered office at 1/2 place des Saisons, 92400 Courbevoie, France) as a principal auditor for a term of six financial years, expiring at the end of the Annual General Meeting called in 2027 to approve the financial statements for 2026.

Resolution 15 – Authorisation for the company to buy back its own shares

As we do each year, we are asking you to renew the authorisation that allows the company to repurchase its own shares as part of a share buyback programme.

Objectives authorised

This authorisation would cover the following objectives:

1. reduce the share capital by cancelling shares under the conditions laid down by law, subject to authorisation by the Extraordinary General Meeting;
2. fulfil the obligations arising from debt securities, in particular securities that grant the right to the allotment of company shares via redemption, conversion, exchange, presentation of a warrant or otherwise;
3. grant or sell shares to employees or corporate officers of the company or related companies, in particular as part of profit-sharing schemes, stock option plans, company savings schemes and Group savings schemes or through allotment of shares;
4. improve market liquidity and the regularity of listings of the company's equity securities and avoid price discrepancies not supported by market trends, by implementing a liquidity contract managed by an investment service provider acting in compliance with a market practice accepted by the AMF;
5. retain shares and, as the case may be, deliver them subsequently as a medium of payment or exchange in an acquisition, merger, spin-off or asset-for-share exchange, in accordance with applicable regulations;
6. implement any market practice accepted by the AMF and generally carry out any other transaction in compliance with applicable regulations.

The Board of Directors decided at its meeting of 17 February 2021 to restrict the objectives of the share buyback programme to points 1, 3 and 4 above. The Board nonetheless reserved the right to extend the programme to include other objectives, in which case the company would inform the market.

In accordance with law, the share buybacks may be carried out at any time, including during the period of a public offer for the company's shares. It is important that the company should be able, even during the period of a public offer, to buy back its own shares with a view to achieving the objectives of the buyback programme.

In 2020, the following transactions in Bouygues shares took place:

- 2,008,858 shares were purchased and 2,005,358 shares sold, mainly through a service provider acting under the terms of a liquidity contract.

The authorisation is granted subject to the following upper limits:

Ceilings

- 5% of the share capital;
- maximum repurchase price: €55 per share;
- maximum budget: €1 billion.

Duration of authorisation

Eighteen months.

Fifteenth resolution

(AUTHORISATION TO THE BOARD OF DIRECTORS TO TRADE IN THE COMPANY'S SHARES, FOR A PERIOD OF EIGHTEEN MONTHS)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to Article L. 22-10-62 of the Commercial Code, and having acquainted itself with the Board of Directors' report including its description of the share buyback programme:

1. authorises the Board of Directors to repurchase or arrange for the repurchase by the company of its own shares, under the conditions set out below, shares representing no more than 5% of the company's share capital at the date on which the authorisation is used, in compliance with the legal and regulatory conditions applicable at that date;
2. resolves that this authorisation may be used for the purposes listed below, in relation to (i) a market practice accepted by the AMF, (ii) an objective specified in Article 5 of Commission Regulation (EU) No. 596/2014 on market abuse, or (iii) an objective mentioned in Article L. 22-10-62 of the Commercial Code:
   a) reduce the share capital by cancelling shares under the conditions laid down by law, subject to authorisation by the Extraordinary General Meeting,
   b) fulfil the obligations arising from debt securities, in particular securities that grant the right to the allotment of company shares via redemption, conversion, exchange, presentation of a warrant or otherwise,
   c) grant or sell shares to employees or corporate officers of the company or related companies, in particular as part of profit-sharing schemes, stock option plans, company savings schemes and Group savings schemes or through allotment of shares,
   d) improve market liquidity and the regularity of listings of the company's equity securities and avoid price discrepancies not supported by market trends, by implementing a liquidity contract managed by an investment service provider acting in compliance with a market practice accepted by the AMF,
   e) retain shares and, as the case may be, deliver them subsequently as a medium of payment or exchange in an acquisition, merger, spin-off or asset-for-share exchange, in accordance with applicable regulations,
   f) implement any market practice accepted by the AMF and generally carry out any other transaction in compliance with applicable regulations;

3. resolves that the acquisition, sale, transfer or exchange of such shares may be carried out, on one or more occasions, in compliance with rules issued by the AMF in its Position-Recommendation DOC-2017-04, on all markets or off-market, including on Multilateral Trading Facilities (MTFs) or via a systematic internaliser, or over-the-counter, in any manner, including through the acquisition or sale of blocks of shares, using derivative financial instruments and at any time, including during the period of a public offer for the company’s shares. All or part of the programme may be carried out through block trades;
4. resolves that the maximum purchase price be set at €55 (fifty-five euros) per share, subject to any adjustments in connection with share capital transactions. If the share capital is increased by incorporating share premium, earnings or reserves into capital and by allotment of shares free of charge, or in the event of a stock split or reverse stock split, the price indicated above shall be adjusted by a multiplication factor equal to the ratio of the number of shares making up the share capital before the transaction to the number of shares after the transaction;
5. sets at €1,000,000,000 (one billion euros) the maximum amount of funds that can be used for the share buyback programme thus authorised;
6. notes that, in accordance with law, the total shares held at any given date may not exceed 10% of the share capital in issue at that date;
7. gives full powers to the Board of Directors, with power to sub-delegate in accordance with law, to implement this authorisation, place all stock market orders, conclude all agreements, in particular with a view to the registration of purchases and sales of shares, complete all steps, declarations and formalities with the AMF and any other body, and in general, take all necessary measures to execute the decisions taken within the scope of this authorisation;
8. resolves that the Board of Directors shall inform the Annual General Meeting of the transactions carried out, in accordance with applicable regulations;
9. sets the period of validity of this authorisation, which voids and replaces any unused portion of any previous authorisation granted for the same purpose, at eighteen months from the date of this meeting.

8.2.2 Extraordinary General Meeting

In the sixteenth to thirtieth resolutions, we ask you to renew certain financial authorisations given to the Board of Directors that may have an impact on the amount of the share capital. The purpose of these resolutions is to enable the Board of Directors, under the conditions and subject to the ceilings set by the Annual General Meeting, to retain the benefit of authorisations that allow it to finance the development of the company and to carry out financial transactions useful for its strategy without being obliged to convene specific extraordinary general meetings.

Resolution 16 – Allows the Board to reduce the share capital by cancelling shares

Purpose of the authorisation

To allow the Board of Directors, if it deems fit, to reduce the share capital, on one or more occasions, by cancelling some or all of the shares held by the company as a result of using any share buyback authorisation given by the Annual General Meeting, particularly under the fifteenth resolution submitted to this Annual General Meeting for approval.

Cancelling shares makes it possible, if the Board of Directors deems fit, to offset the dilution for shareholders resulting from the creation of new shares, for example shares issued under employee share ownership plans or on the exercise of stock options.

Ceiling

10% of the share capital in any 24-month period.

Duration of the authorisation

Eighteen months.

Sixteenth resolution

(AUTHORISATION TO THE BOARD OF DIRECTORS, FOR A PERIOD OF EIGHTEEN MONTHS, TO REDUCE THE SHARE CAPITAL BY CANCELLING TREASURY SHARES HELD BY THE COMPANY)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings pursuant to Article L. 22-10-62 of the Commercial Code, and having acquainted itself with the Board of Directors' report and the auditors' report:

1. authorises the Board of Directors to cancel, at its sole discretion, on one or more occasions, some or all of the shares that the company holds or may hold as a result of utilising the various share buyback authorisations given by the Annual General Meeting to the Board of Directors, up to a limit in any twenty-four month period of 10% of the total number of shares making up the company's share capital at the date of the transaction;
2. authorises the Board of Directors to charge the difference between the purchase value of the cancelled shares and their par value to all available share premium and reserve accounts;
3. delegates to the Board of Directors, with power to sub-delegate in accordance with law, full powers to carry out the capital reduction(s) resulting from cancellations of shares authorised by this resolution, to have the corresponding accounting entries made, to amend the articles of association accordingly, and generally to attend to all necessary formalities;
4. sets the period of validity of this authorisation, which voids and replaces any unused portion of any previous authorisation granted for the same purpose, at eighteen months from the date of this meeting.

Resolution 17 – Allows the Board to increase share capital with pre-emptive rights for existing shareholders maintained

Purpose of the delegation of competence

To delegate to the Board of Directors the competence to increase the share capital by issuing, with pre-emptive rights for existing shareholders maintained, (i) ordinary shares in the company, and (ii) securities of any kind whatsoever, giving access in whatever manner, immediately and/or in the future, to shares to be issued by Bouygues or by any company of which Bouygues owns directly or indirectly more than half the share capital.

Shareholders would have, in proportion to the number of shares they hold, an irreducible pre-emptive right (and, if the Board so decides, a reducible pre-emptive right) to subscribe for ordinary shares and securities issued pursuant to this resolution.

Ceilings

Capital increase: €150,000,000 in nominal value, or approximately 40% of the share capital at 31 December 2020.

Debt securities giving immediate and/or future access to capital: €7,000,000,000.

These two ceilings apply to all capital increases carried out under the nineteenth, twentieth, twenty-third, twenty-fourth and twenty-fifth resolutions submitted to the Annual General Meeting.

Duration of the delegation of competence

Twenty-six months.

Seventeenth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE SHARE CAPITAL, WITH PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS MAINTAINED, BY ISSUING SHARES AND ALL SECURITIES GIVING IMMEDIATE AND/OR FUTURE ACCESS TO SHARES IN THE COMPANY OR ONE OF ITS SUBSIDIARIES)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings, having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 228-91, L. 228-92 and L. 228-93 of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, its competence to carry out one or more capital increases, by such amounts, at such times and under such terms as it deems fit, by issuing, with pre-emptive rights for existing shareholders maintained, both in France and abroad, in euros, in a foreign currency or in any other monetary unit based on a basket of currencies, (i) ordinary shares in the company, and (ii) securities of any kind whatsoever, issued free of charge or for consideration, giving access in whatever manner, immediately and/or in the future, at any time or on a set date, to ordinary shares, to be issued by the company or by any company of which it owns directly or indirectly more than half the share capital (a "subsidiary"). Such shares and securities may be subscribed for in cash or by set-off of mutual debts;

2. resolves that the total amount of capital increases in cash that may be implemented immediately and/or in the future pursuant to this delegation may not exceed an overall ceiling of €150,000,000 (one hundred and fifty million euros) in nominal value, plus, as the case may be, the nominal amount of any additional shares to be issued in order to protect, in accordance with law, the rights of holders of securities giving access to ordinary shares in the company; the nominal amount of ordinary shares that may be issued pursuant to the nineteenth, twentieth, twenty-third, twenty-fourth and twenty-fifth resolutions of this Annual General Meeting shall count towards that overall ceiling;
3. resolves that the securities giving access to ordinary shares in the company or a subsidiary so issued may consist of debt securities or be linked to the issuance of such securities, or allow such securities to be issued as intermediate securities. In particular, they may be subordinated or unsubordinated, dated or undated, and issued in euros or a foreign currency or any other monetary unit established by reference to a basket of currencies;
4. resolves that the nominal amount of all debt securities that may be issued pursuant to this delegation may not exceed €7,000,000,000 (seven billion euros) or the equivalent in any other currency or any other unit of account on the date the issue is decided; such amount does not include above-par redemption premium, if provided for. The nominal amount of debt securities that may be issued pursuant to the nineteenth, twentieth, twenty-third and twenty-fourth resolutions shall count towards that overall ceiling. Debt securities giving access to ordinary shares in the company or a subsidiary may be issued at a fixed and/or floating rate of interest, with or without capitalisation, and may be subject to redemption with or without premium, or repayment; they may also be repurchased on the stock market or be the subject of an offer by the company to purchase or exchange them;
5. resolves, in the event that this delegation is used by the Board of Directors, that:
   a) shareholders shall have, in proportion to the number of shares they hold, an irreducible pre-emptive right to subscribe for ordinary shares and securities issued pursuant to this resolution,
   b) the Board of Directors shall also have the option to grant shareholders a reducible right to subscribe for excess shares, which will be exercised in proportion to their rights and up to the limit of the amounts they request,
   c) if subscriptions using irreducible rights and any reducible subscriptions for excess shares do not account for the entirety of an issue of ordinary shares or securities made pursuant to this delegation, the Board may, in such order as it shall determine, use one or more of the following options:
      - limit the issue to the amount of subscriptions received, on condition that this amount reaches at least three-quarters of the amount of the issue decided,
      - distribute as it deems fit all or some of the unsubscribed securities,
      - offer all or some of the unsubscribed securities to the public on the French and/or international market and/or abroad;
   d) the Board of Directors shall determine the characteristics, amount and terms of any issue and the securities issued. In particular, it shall determine the category of the securities to be issued and, taking account of the indications given in its report, set their subscription price with or without premium, the terms for payment of subscriptions, the date of first entitlement to dividends, which may be retroactive, or the terms on which the securities issued pursuant to this resolution shall give access to ordinary shares in the company or a subsidiary, and the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to ordinary shares will be temporarily suspended;
   e) the Board of Directors shall have full powers, with power to sub-delegate in accordance with law, to implement this delegation, in particular by entering into any agreement for that purpose and specifically with a view to the successful completion of all issues; to proceed with the aforementioned issues on one or more occasions, in such amounts and at such times as it deems fit, in France and/or, as the case may be, abroad and/or on the international market (or, as the case may be, to postpone any such issue); to confirm such issue has taken place and amend the articles of association accordingly; and to carry out all formalities and declarations and request all authorisations as may be necessary for the implementation and successful completion of such issues;
6. notes that this delegation entails the waiver by shareholders of their pre-emptive rights to subscribe for those ordinary shares in the company to which any securities issued under this delegation may give entitlement;
7. sets the period of validity of this delegation, which voids and replaces any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 18 – Allows the Board to increase share capital by incorporating share premium, reserves or earnings

Purpose of the delegation of competence

To delegate to the Board of Directors the competence to increase the share capital by incorporating share premium, reserves, earnings or other amounts which may be incorporated into capital in accordance with law and with the articles of association, in the form of an allotment of shares free of charge or by increasing the nominal value of the existing shares, or through a combination of those two procedures.

Ceiling

Capital increase: €4,000,000,000 in nominal value.

Duration of the delegation of competence

Twenty-six months.

Eighteenth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE SHARE CAPITAL BY INCORPORATING SHARE PREMIUM, RESERVES OR EARNINGS, OR OTHER AMOUNTS INTO CAPITAL)

The Annual General Meeting, having satisfied the quorum and majority requirements specified in Articles L. 225-98 and L. 22-10-32 of the Commercial Code and having acquainted itself with the Board of Directors' report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-130 and L. 22-10-50 of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, its competence to carry out, in such amounts and at such times as it deems fit, one or more capital increases by successively or simultaneously incorporating share premium, reserves, earnings or other amounts which may be incorporated into capital in accordance with law and with the articles of association, in the form of an allotment of shares free of charge or by increasing the nominal value of the existing shares, or through a combination of those two procedures;
2. resolves that the total amount of capital increases that may be implemented pursuant to this resolution may not exceed €4,000,000,000 (four billion euros) in nominal value, plus, as the case may be, the amount of any additional ordinary shares to be issued to protect, in accordance with law, the rights of holders of securities giving access to ordinary shares in the company. The ceiling set in this delegation is independent of and separate from the overall ceiling set in the seventeenth resolution;
3. resolves, in the event that this delegation is used by the Board of Directors, and in accordance with the provisions of Articles L. 225-130 and L. 22-10-50 of the Commercial Code, that in the case of a capital increase by allotment of shares free of charge, fractional shares may not be traded or transferred and that the corresponding equity securities shall be sold; the proceeds of sale shall be paid to the rights holders within the regulatory time limit;
4. resolves that the Board of Directors shall have full powers, with power to sub-delegate to any legally authorised person, to implement this delegation and generally to take all steps and carry out all formalities as may be necessary for the successful completion of each such capital increase, to confirm such increase has taken place and to amend the articles of association accordingly;
5. sets the period of validity of this delegation, which voids and replaces any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 19 – Allows the Board to increase the share capital by way of public offerings other than those mentioned in Article L. 411-2 of the Monetary and Financial Code, without pre-emptive rights for existing shareholders

Purpose of the delegation of competence

To delegate to the Board of Directors the competence to increase the share capital by way of public offerings other than those mentioned in Article L. 411-2 of the Monetary and Financial Code by issuing without pre-emptive rights for existing shareholders, (i) ordinary shares in the company, and (ii) any securities giving access in whatever manner, immediately and/or in the future, to new ordinary shares to be issued by the company or by any company of which it directly or indirectly owns more than half of the capital.

Ceilings

Capital increase: €85,000,000 in nominal value, or approximately 22% of the share capital at 31 December 2020.

Debt securities giving immediate and/or future access to capital: €4,000,000,000.

These transactions would count towards the ceilings set in the seventeenth resolution.

Duration of the delegation of competence

Twenty-six months.

Nineteenth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE SHARE CAPITAL BY WAY OF PUBLIC OFFERINGS OTHER THAN THOSE MENTIONED IN ARTICLE L. 411-2 OF THE MONETARY AND FINANCIAL CODE, WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS, BY ISSUING SHARES AND ALL SECURITIES GIVING IMMEDIATE AND/OR FUTURE ACCESS TO SHARES IN THE COMPANY OR ONE OF ITS SUBSIDIARIES)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 22-10-51, L. 22-10-52 and L. 228-91 et seq of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, its competence to carry out one or more capital increases by way of public offerings other than those mentioned in Article L. 411-2 of the Monetary and Financial Code, in such amounts and at such times as it deems fit, by issuing, without pre-emptive rights for existing shareholders, both in France and abroad, in euros, in a foreign currency or in any other monetary unit based on a basket of currencies, (i) ordinary shares in the company, and (ii) any securities giving access in whatever manner, immediately and/or in the future, to new ordinary shares to be issued by the company or by any company of which it directly or indirectly owns more than half of the capital (a "subsidiary"). Such shares and securities may be subscribed for in cash or by set-off of mutual debts;
2. resolves that the total amount of capital increases that may be implemented immediately and/or in the future pursuant to this resolution may not exceed €85,000,000 (eighty-five million euros) in nominal value, plus, as the case may be, the nominal amount of any additional shares to be issued to protect, in accordance with law, the rights of holders of securities giving access to ordinary shares in the company. This amount shall count towards the overall ceiling set in the seventeenth resolution;
3. resolves that the securities giving access to ordinary shares in the company or a subsidiary so issued may consist of debt securities or be linked to the issuance of such securities, or allow such securities to be issued as intermediate securities. In particular, they may be subordinated or unsubordinated, dated or undated, and issued in euros or a foreign currency or any other monetary unit established by reference to a basket of currencies;
4. resolves that the nominal amount of all debt securities that may be issued pursuant to this delegation may not exceed €4,000,000,000 (four billion euros) or the equivalent in any other currency or any other unit of account on the date the issue is decided. This amount shall count towards the overall ceiling set in the seventeenth resolution and does not include above-par redemption premium, if provided for. Debt securities giving access to ordinary shares in the company or a subsidiary may be issued at a fixed and/or floating rate of interest, with or without capitalisation, and may be subject to redemption with or without premium, or repayment; they may also be repurchased on the

stock market or be the subject of an offer by the company to purchase or exchange them;

5. resolves to cancel the pre-emptive rights of shareholders to securities that may be issued pursuant to this delegation and to give the Board of Directors power to grant shareholders a reducible and/or irreducible priority right to subscribe for the securities, pursuant to Article L. 22-10-51 of the Commercial Code. If subscriptions, including, as the case may be, any subscriptions made by shareholders, do not account for the entire issue, the Board may limit the amount of the issue in accordance with applicable law;
6. notes that this delegation entails the waiver by shareholders of their pre-emptive rights to subscribe for those ordinary shares in the company to which any securities issued under this delegation may give entitlement;
7. resolves that the Board of Directors shall determine the characteristics, amount and terms of any issue and of the securities issued. In particular, it shall determine the category of the securities issued and, taking account of the indications given in its report, set their subscription price with or without premium, the date of first entitlement to dividends (which may be retroactive), and, as the case may be, the period during which or the terms on which the securities issued pursuant to this resolution shall give access to ordinary shares in the company or a subsidiary in accordance with applicable law, and the conditions under which the allotment rights of holders of securities giving access to ordinary shares will be temporarily suspended in accordance with applicable law. Unless the provisions of the twenty-first resolution are applied, the issue price of the ordinary shares and the securities shall be such that the sum received immediately by the company, or by a subsidiary that issues securities giving access to that subsidiary's ordinary shares, plus any amount likely to be received subsequently by the company or the subsidiary, as the case may be, is equal to or greater than the minimum amount required by applicable regulations for each ordinary share issued as of the date the present delegation is used, which would on this day, pursuant to the provisions of Article R. 22-10-32 of the Commercial Code, be equal to the weighted average for the last three trading days preceding the start date of the public offering within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, with a possible discount not exceeding 10%;
8. resolves that the Board of Directors shall have full powers, with power to sub-delegate in accordance with law, to implement this delegation, in particular by entering into any agreement for that purpose, and specifically with a view to the successful completion of all issues; to make the aforementioned issues on one or more occasions, in such amounts and at such times as it deems fit, in France and/or, as the case may be, abroad and/or on the international market (or, as the case may be, to postpone any such issue); to confirm such issue has taken place and amend the articles of association accordingly; and to carry out all formalities and declarations and request all authorisations as may be necessary for the implementation and successful completion of such issues;
9. sets the period of validity of this delegation, which voids and replaces any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 20 – Allows the Board to increase the share capital by way of public offerings mentioned in Article L. 411-2 1° of the Monetary and Financial Code, without pre-emptive rights

Purpose of the delegation of competence

To allow the Board of Directors to carry out capital increases by way of public offerings mentioned in Article L. 411-2 1° of the Monetary and Financial Code. The aim is to allow the company to optimise its access to capital markets and to carry out transactions while benefiting from a degree of flexibility. The public offerings mentioned in Article L. 411-2 1° of the Monetary and Financial Code are intended for persons and entities providing asset management services to third parties, or for qualified investors or for a small group of investors, provided that those investors are acting on their own account.

The securities that may be issued are the same as those under the nineteenth resolution.

Ceilings

Capital increase: €75,000,000 in nominal value, or approximately 20% of the share capital at 31 December 2020.

20% of the share capital in any 12-month period.

Debt securities giving immediate and/or future access to capital: €3,500,000,000.

These transactions would count towards the ceilings set in the seventeenth resolution.

Duration of the delegation of competence

Twenty-six months.

Twentieth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE SHARE CAPITAL BY WAY OF PUBLIC OFFERINGS MENTIONED IN ARTICLE L. 411-2 1° OF THE MONETARY AND FINANCIAL CODE, WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS, BY ISSUING SHARES AND ALL SECURITIES GIVING IMMEDIATE AND/OR FUTURE ACCESS TO SHARES IN THE COMPANY OR ONE OF ITS SUBSIDIARIES)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Article L. 411-2 1° of the Monetary and Financial Code and Articles L. 225-129, L. 225-129-2, L. 22-10-51, L. 22-10-52 and L. 228-91 et seq of the Commercial Code of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, its competence to carry out one or more capital increases, through one or more offers falling within the scope of Article L. 411-2 1° of the Monetary and Financial Code, in such amounts and at such times as it deems fit, by issuing, without pre-emptive rights for existing shareholders, both in France and abroad, in euros, in a foreign currency or in any other monetary unit based on a basket of currencies, (i) ordinary shares in the company, and (ii) any securities giving access in whatever manner, immediately and/or in the future, to ordinary shares to be issued by the company or by any company of which it directly or indirectly owns more than half of the capital (a "subsidiary"). Such shares and securities may be subscribed for in cash or by set-off of mutual debts;
2. resolves that the total amount of capital increases that may be implemented immediately and/or in the future pursuant to this resolution may not exceed 20% of the share capital over a twelve-month period or €75,000,000 (seventy-five million euros) in nominal value. The nominal amount shall count towards the overall ceiling set in the seventeenth resolution, plus, where applicable, the nominal amount of the additional shares to be issued to protect, in accordance with law, the rights of holders of securities giving access to ordinary shares in the company;
3. resolves that the securities giving access to ordinary shares in the company or a subsidiary issued under this resolution may consist of debt securities or be linked to the issuance of such securities, or allow such securities to be issued as intermediate securities. In particular, they may be subordinated or unsubordinated, dated or undated, and issued in euros or a foreign currency or any other monetary unit established by reference to a basket of currencies;
4. resolves that the nominal amount of all debt securities that may be issued pursuant to this resolution may not exceed €3,500,000,000 (three billion five hundred million euros) or the equivalent in any other currency or any other unit of account on the date the issue is decided. This amount shall count towards the overall ceiling set in the seventeenth resolution and does not include above-par redemption premium, if provided for. Debt securities giving access to ordinary shares in the company may be issued at fixed and/or floating rates of interest, with or without capitalisation, and may be subject to redemption with or without premium, or repayment; they may also be repurchased on the stock market or be the subject of an offer by the company to purchase or exchange them;
5. resolves to cancel the pre-emptive rights of shareholders to ordinary shares and/or securities issued under this delegation;
6. notes that this delegation entails the waiver by shareholders of their pre-emptive rights to subscribe for those ordinary shares in the company to which any securities issued under this delegation may give entitlement;
7. resolves that the Board of Directors shall determine the characteristics, amount and terms of any issue and of the securities issued. In particular, it shall determine the category of the securities issued and, taking account of the indications given in its report, set their subscription price with or without premium, the date of first entitlement to dividends (which may be retroactive), and, as the case may be, the period during which or the terms on which the securities issued pursuant to this resolution shall give access to ordinary shares in the company in accordance with applicable law, and the conditions under which the allotment rights of holders of securities giving access to ordinary shares in the company will be temporarily suspended in accordance with applicable law. Unless the provisions of the twenty-first resolution are applied, the issue price of the ordinary shares and the securities shall be such that the sum received immediately by the company, or by a subsidiary that issues securities giving access to that subsidiary's ordinary shares, plus any amount likely to be received subsequently by the company or the subsidiary, as the case may be, is equal to or greater than the minimum amount required by applicable regulations for each ordinary share as of the date the present delegation is used, which would on this day, pursuant to the provisions of Article R. 22-10-32 of the Commercial Code, be equal to the weighted average for the last three trading days preceding the start date of the public offering within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, with a possible discount not exceeding 10%;
8. resolves that the Board of Directors shall have full powers, with power to sub-delegate in accordance with law, to implement this delegation, in particular by entering into any agreement for that purpose, and specifically with a view to the successful completion of all issues; to make the aforementioned issues on one or more occasions, in such amounts and at such times as it deems fit, in France and/or, as the case may be, abroad and/or on the international market (or, as the case may be, to postpone any such issue); to confirm such issue has taken place and amend the articles of association accordingly; and to carry out all formalities and declarations and request all authorisations as may be necessary for the implementation and successful completion of such issues;
9. sets the period of validity of this delegation, which voids any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 21 – Allows the Board to set the issue price in the event of a capital increase without pre-emptive rights for existing shareholders

Purpose of the authorisation

To authorise the Board of Directors, for issues carried out without pre-emptive rights for existing shareholders pursuant to the nineteenth and twentieth resolutions, to derogate from the pricing conditions stipulated by applicable regulations (Article R. 22-10-32 of the Commercial Code), and to set the price for immediate or future issues of equity securities, in accordance with the following provisions.

Setting the issue price

1. for equity securities to be issued immediately, the Board may opt for one of two alternatives:
   - either the average price observed over a maximum period of six months prior to the issue date, or
   - the volume-weighted average price on the market on the day preceding the issue (1-day VWAP) with a maximum discount of 20%,
2. for equity securities to be issued at a later date, the issue price would be such that the amount received immediately by the company, plus any amount receivable subsequently by the company, would be equal to or greater than the amount referred to in point 1 above in respect of each share.

Ceiling

10% of the share capital in any 12-month period.

Duration of the authorisation

Twenty-six months.

Twenty-first resolution

(AUTHORISATION TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO SET THE PRICE, IN ACCORDANCE WITH THE TERMS DECIDED BY THE ANNUAL GENERAL MEETING, FOR IMMEDIATE OR FUTURE ISSUES OF EQUITY SECURITIES, WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, in accordance with the provisions of Article L. 22-10-52, paragraph 2 of the Commercial Code, and to the extent that the equity securities to be issued immediately or at a later date are equivalent to equity securities admitted to trading on a regulated market:

1. authorises the Board of Directors, with power to sub-delegate in accordance with law, for each of the issues decided under the nineteenth and twentieth resolutions and up to a limit of 10% of the share capital (based on the share capital as at the date of this meeting) for a period of twelve months, to derogate from the pricing conditions stipulated by applicable regulations at the time this authorisation is used, i.e. on this day by Article R. 22-10-32 of the Commercial Code, and to set the price for immediate or future issues of equity securities by way of a public offering other than those mentioned in Article L. 411-2 of the Monetary and Financial Code or a public offering mentioned in Article L. 411-2 1° of the Monetary and Financial Code, in accordance with the following provisions:
   a) for equity securities to be issued immediately, the Board may opt for one of two alternatives:
      - either the average price observed over a maximum period of six months prior to the issue date, or
      - the volume-weighted average price on the market on the day preceding the issue (1-day VWAP) with a maximum discount of 20%,
   b) for equity securities to be issued at a later date, the issue price shall be such that the amount received immediately by the company, plus any amount receivable subsequently by the company, will be equal to or greater than the amount referred to in sub-paragraph a) above in respect of each share;
2. resolves that the Board of Directors shall have full powers to implement this resolution on the terms stipulated in the resolution pursuant to which such issue is decided;
3. sets the period of validity of this authorisation, which voids any unused portion of any previous authorisation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 22 – Allows the Board to increase the number of securities to be issued in the event of a capital increase

Purpose of the delegation of competence

To allow the Board of Directors to decide, in the case of a capital increase with or without pre-emptive rights for existing shareholders, to increase the number of securities to be issued, during a period of thirty days from closing of subscriptions, up to a limit of 15% of the initial issue, for the same price as the initial issue, subject to compliance with the ceiling set in the resolution pursuant to which such issue is decided.

Such a delegation makes it possible to seize opportunities while benefiting from a degree of flexibility.

Ceiling

15% of the initial issue.

Duration of the delegation of competence

Twenty-six months.

Twenty-second resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN THE EVENT OF A CAPITAL INCREASE, WITH OR WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-129-2 and L. 225-135-1 of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, its competence to decide, in the case of a capital increase with or without pre-emptive rights for existing shareholders, to increase the number of securities to be issued, during a period of thirty days from closing of subscriptions, up to a limit of 15% of the initial issue, for the same price as the initial issue, subject to compliance with the ceiling(s) set in the resolution pursuant to which such issue is decided;
2. sets the period of validity of this delegation, which voids any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 23 – Allows the Board to increase the share capital as consideration for contributions in kind to the company consisting of another company's equity securities or securities giving access to the capital of another company outside of a public exchange offer

Purpose of the delegation of powers

To delegate to the Board of Directors, with the power to sub-delegate, the powers necessary to carry out, based on the report of expert appraisers, one or more capital increases, by issuing ordinary shares or securities giving access to the capital of Bouygues, as consideration for contributions in kind to Bouygues consisting of another company's

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equity securities or securities giving access to the capital of another company outside of a public exchange offer.

The aim of this resolution is to make it easier for Bouygues to carry out acquisitions of or mergers with other companies without having to pay a cash price.

Ceilings

Capital increase: 10% of the share capital.

Debt securities giving immediate and/or future access to capital: €1,750,000,000.

These transactions would count towards the ceilings set in the seventeenth resolution.

Duration of the delegation of powers

Twenty-six months.

Twenty-third resolution

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE THE SHARE CAPITAL, WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS, AS CONSIDERATION FOR CONTRIBUTIONS IN KIND TO THE COMPANY CONSISTING OF ANOTHER COMPANY'S EQUITY SECURITIES OR SECURITIES GIVING ACCESS TO ITS CAPITAL OUTSIDE OF A PUBLIC EXCHANGE OFFER)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 22-10-53 and L. 228-91 et seq of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, the powers to issue, based on the report of the expert appraisers referred to in paragraphs 1 and 2 of Article L. 225-147 of the Commercial Code, ordinary shares of the company or securities giving access in whatever manner, immediately and/or in the future, to new ordinary shares in the company, as consideration for contributions in kind made to the company consisting of another company's equity securities or securities giving access to the capital of another company, in cases where the provisions of Article L. 22-10-54 of the Commercial Code are not applicable;
2. resolves that the total nominal amount of capital increases that may be implemented immediately and/or in the future pursuant to this delegation may not exceed 10% of the share capital (based on the share capital at the date of this meeting). This nominal amount shall count towards the overall ceiling set in the seventeenth resolution;
3. resolves that the nominal amount of all debt securities that may be issued pursuant to this resolution may not exceed €1,750,000,000 (one billion seven hundred and fifty million euros) or the equivalent in any other currency or any other unit of account on the date the issue is decided, it being stipulated that such amount does not include above-par redemption premium, if provided for. This nominal amount shall count towards the overall ceiling set in the seventeenth resolution;
4. resolves to cancel insofar as is needed, for the benefit of the holders of equity securities or securities that are the subject of the contributions in kind, the pre-emptive rights of shareholders to the shares and/or securities issued under this delegation;
5. notes that this delegation entails the waiver by shareholders of their pre-emptive rights to those ordinary shares in the company to which any securities issued under this delegation may give entitlement;
6. resolves that the Board of Directors shall have full powers, with power to sub-delegate in accordance with law, to implement this resolution, and in particular to determine the valuation of the contributions in kind based on the report of the expert appraiser(s), approve the granting of specific benefits, confirm the capital increases made pursuant to this delegation, amend the articles of association accordingly, carry out all formalities and declarations, request all such authorisations as may be necessary for such contributions to be made, and determine the conditions under which the allotment rights of holders of securities giving access to ordinary shares will be temporarily suspended in accordance with applicable law;
7. sets the period of validity of this delegation, which voids any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 24 – Allows the Board to increase the share capital as consideration for securities tendered to a public exchange offer initiated by Bouygues

Purpose of the delegation of competence

To delegate to the Board of Directors the competence to carry out, taking into account the opinion of the statutory auditors on the conditions and consequences of the issue, one or more capital increases, by issuing ordinary shares or securities giving access to the capital of Bouygues, as consideration for securities tendered to a public exchange offer initiated by Bouygues for securities of a listed company.

The aim of this resolution is to enable Bouygues to make an offer to the shareholders of a listed company to exchange their shares for Bouygues shares issued for this purpose, and thereby to enable Bouygues to acquire securities of the company concerned without having to resort to bank loans, for example.

Pre-emptive rights would be waived in favour of the shareholders of the

Ceilings

Capital increase: €85,000,000 in nominal value, or approximately 22% of the share capital at 31 December 2020.

Debt securities giving immediate and/or future access to capital: €4,000,000,000.

These transactions would count towards the ceilings set in the seventeenth resolution.

Duration of the delegation of competence

Twenty-six months.

Twenty-fourth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE SHARE CAPITAL, WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS, AS CONSIDERATION FOR SECURITIES TENDERED TO A PUBLIC EXCHANGE OFFER INITIATED BY THE COMPANY)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 22-10-54 and L. 228-91 et seq of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, its competence to issue ordinary shares of the company and/or securities, as consideration for securities tendered to a public exchange offer initiated by the company in France or abroad in accordance with local regulations, for securities of another company whose shares are admitted to trading on a regulated market as referred to in Article L. 22-10-54 of the Commercial Code;
2. resolves that the nominal amount of all capital increases that may be implemented immediately and/or in the future pursuant to this resolution may not exceed €85,000,000 (eighty-five million euros) plus, as the case may be, the nominal amount of any additional shares to be issued in order to protect, in accordance with law, the rights of holders of securities giving access to ordinary shares in the company. This amount shall count towards the overall ceiling set in the seventeenth resolution;
3. resolves that the nominal amount of all debt securities that may be issued pursuant to this resolution may not exceed €4,000,000,000 (four billion euros) or the equivalent in any other currency or any other unit of account on the date the issue is decided, it being stipulated that such amount does not include above-par redemption premium, if provided for. This nominal amount shall count towards the overall ceiling set in the seventeenth resolution;
4. resolves to cancel the pre-emptive rights of shareholders to ordinary shares and/or securities issued under this delegation;
5. notes that this delegation entails the waiver by shareholders of their pre-emptive rights to those ordinary shares in the company to which any securities issued under this delegation may give entitlement;
6. resolves that the Board of Directors shall have full powers, with power to sub-delegate in accordance with law, to implement this resolution, and in particular:
    a) to set the exchange ratio and, as the case may be, any cash balance of the consideration to be paid,
    b) to confirm the number of securities tendered for exchange,
    c) to determine the dates, terms and conditions of the issue – in particular the price and date of first entitlement to dividends – of the new shares or, as the case may be, of the securities giving immediate and/or future access to ordinary shares in the company,
    d) to determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to ordinary shares will be temporarily suspended,
    e) to enter on the liabilities side of the balance sheet in a share premium account, to which all shareholders shall have rights, the difference between the issue price of the new ordinary shares and their par value,
    f) if necessary, to charge to such share premium account all expenses, taxes and duties incurred in relation to any transaction authorised pursuant to this resolution,
    g) generally to take all useful steps and enter into all agreements to bring to successful completion any transaction authorised pursuant to this resolution, confirm the capital increase(s), and amend the articles of association accordingly;
7. sets the period of validity of this delegation, which voids any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 25 – Allows the Board to authorise the issuance by a Bouygues subsidiary of securities giving access to the capital of Bouygues

Purpose of the delegation of competence

To delegate to the Board of Directors the competence to authorise the issuance, by any company in which Bouygues directly or indirectly holds more than half the capital, of securities giving access to shares in Bouygues.

The aim of this delegation is to facilitate a possible merger between a Bouygues subsidiary and another company, with the shareholders of that other company being remunerated with Bouygues shares.

This entails the waiver by Bouygues shareholders of their pre-emptive rights in favour of the holders of the securities thus issued.

Issuance of such securities would be authorised by an extraordinary general meeting of the subsidiary in question, while issuance of the Bouygues shares to which those securities give entitlement would be decided upon concomitantly by the Bouygues Board of Directors on the basis of the present financial authorisation.

Ceiling

Capital increase: €85,000,000 in nominal value, or approximately 22% of the share capital at 31 December 2020.

The transactions would count towards the overall ceiling set in the seventeenth resolution.

Duration of the delegation of competence

Twenty-six months.

Twenty-fifth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ISSUE SHARES, WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS, FOLLOWING THE ISSUANCE, BY A BOUYGUES SUBSIDIARY, OF SECURITIES GIVING ACCESS TO SHARES IN THE COMPANY)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 228-91 et seq of the Commercial Code:

1. delegates to the Board of Directors, with power to sub-delegate in accordance with law, its competence to issue ordinary shares in Bouygues as a result of the issuance of securities by any company of which Bouygues directly or indirectly holds more than half of the capital ("subsidiaries") and expressly authorises the resulting capital increase(s).

   Such securities shall be issued by the subsidiaries with the consent of the Board of Directors of Bouygues and may, in accordance with the provisions of Article L. 228-93 of the Commercial Code, give immediate and/or future access in whatever manner to ordinary shares in Bouygues; such securities may be issued on one or more occasions, in France, on foreign markets and/or on the international market;
2. notes that Bouygues shareholders have no pre-emptive rights over the aforementioned securities issued by its subsidiaries;
3. notes that this resolution entails the waiver by Bouygues shareholders of their pre-emptive rights to ordinary shares to which the aforementioned securities issued by subsidiaries may give entitlement, in favour of the holders of those securities;
4. resolves that the nominal amount of the increase in the share capital of Bouygues resulting from all issues that may be carried out pursuant to this delegation may not exceed €85,000,000 (eighty-five million euros). This nominal amount shall count towards the overall ceiling set in the seventeenth resolution;
5. resolves that in all circumstances the amount payable to Bouygues, at the time of the issue or subsequently, for each ordinary share issued as a result of the issuance of such securities, shall be equal to or greater than the minimum amount provided for by regulations in force at the time this delegation is used, after any necessary adjustments to that amount to take account of differences in the dates of first entitlement to dividends;
6. resolves that the Board of Directors shall have full powers, with power to sub-delegate in accordance with law, to implement this resolution in agreement with the Boards of Directors, Executive Boards or other corporate governance or management bodies of the issuing subsidiaries, and in particular to set the amounts to be issued, decide the terms and conditions of the issue and category of the securities to be issued, set the date of first entitlement to dividends – which may be retroactive – of the securities to be created, and generally take all useful measures and enter into any contracts and agreements to bring the proposed issues to successful completion, in accordance with all applicable French and, as the case may be, foreign laws and regulations. The Board of Directors shall have full powers to amend the articles of association to reflect the utilisation of this delegation, in accordance with the terms of its report to this meeting;
7. sets the period of validity of this delegation, which voids any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 26 – Allows the Board to increase the share capital for the benefit of employees

Purpose of the delegation of competence

To delegate to the Board of Directors the competence to increase the share capital for the benefit of employees or corporate officers of Bouygues (and of French or foreign companies related to Bouygues) who are members of a company and/or Group savings scheme, with cancellation of shareholders' pre-emptive rights in favour of the employees and corporate officers for whom the capital increase is reserved.

Bouygues is convinced that it is important to enable employees who so wish to become shareholders in the company. Employee savings schemes and reserved capital increases give employees an opportunity to build up their savings and give them a direct stake and role in the orderly running of the Group, which helps to increase their commitment and motivation. For that reason, the company has implemented a dynamic employee share ownership policy.

Following the capital increases carried out in 2015, 2016, 2017, 2018 and 2019, the leveraged funds set up in association with the employee share ownership plans held 6.46% of the share capital and 8.43% of the voting rights at 31 December 2020.

Setting the subscription price

In accordance with the Labour Code, the subscription price for the new shares may not be more than the average of the quoted prices for the share on the Euronext Paris market during the twenty trading days preceding the date of the decision setting the opening date for subscriptions, or more than the maximum legally stipulated percentage below that average.

Ceiling

Capital increase: 5% of the share capital.

Duration of the delegation of competence

Twenty-six months.

Twenty-sixth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO INCREASE THE SHARE CAPITAL, WITHOUT PRE-EMPTIVE RIGHTS FOR EXISTING SHAREHOLDERS, FOR THE BENEFIT OF EMPLOYEES OR CORPORATE OFFICERS OF THE COMPANY OR RELATED COMPANIES WHO ARE MEMBERS OF A COMPANY SAVINGS SCHEME)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of (i) the Commercial Code and in particular Articles L. 225-129-2, L. 225-129-6 (paragraph 1) and L. 225-138-1, and (ii) Articles L. 3332-1 et seq of the Labour Code:

1. delegates to the Board of Directors the competence to carry out one or more capital increases, at its own initiative, in such amounts and at such times as it deems fit, of up to 5% of the company's share capital on the day of the Board of Directors' decision, by issuing new shares for payment in cash and, as the case may be, by incorporating reserves, earnings or share premium into the capital and by allotting shares free of charge or other securities giving access to the capital subject to applicable law; and resolves that the ceiling applicable to this delegation is independent and separate and that the amount of the capital increases made under this delegation shall not count towards the other ceilings set by this meeting;
2. reserves subscriptions to all the shares hereby issued for employees and corporate officers of Bouygues and for employees and corporate officers of all French and foreign companies related to Bouygues within the meaning of applicable law, who are members of any company or Group savings scheme or any inter-company savings scheme;
3. resolves that the subscription price for the new shares set by the Board of Directors or its delegate in accordance with the provisions of Article L. 3332-19 of the Labour Code at the time of each issue may not be more than the average of the initial quoted prices for the share on the Euronext Paris market during the twenty trading days preceding the date of the decision setting the opening date for subscriptions, or more than the maximum legally stipulated percentage below the average;
4. notes that this resolution entails the cancellation of the shareholders' pre-emptive rights in favour of the employees and corporate officers for whom the capital increase is reserved, and the waiver of any entitlement to the shares or other securities giving access to the capital that are allotted free of charge pursuant to this resolution;
5. delegates full powers to the Board of Directors to:
   a) set the date and terms and conditions of the issues to be made pursuant to this resolution and in particular, decide whether the shares shall be subscribed directly or through a mutual fund or through another entity in accordance with applicable law; decide and fix the terms for allotting shares free of charge or other securities giving access to the capital, pursuant to the delegation given in point 1 above; set the issue price of the new shares to be issued in compliance with the above rules; set opening and closing dates for subscriptions and the dates of first entitlement to dividends; set the payment period, subject to a maximum period of three years; and set, where appropriate, the maximum number of shares that can be subscribed per employee and per issue,
   b) confirm that the capital increases have taken place, at an amount equal to the amount of shares actually subscribed for,
   c) carry out all transactions and formalities, directly or through an agent,
   d) amend the articles of association to reflect the capital increases,
   e) charge the expenses of the capital increases against the share premium arising on each increase and deduct from such amount the sums required to raise the legal reserve to one-tenth of the new share capital following each increase,
   f) generally take all necessary measures. The Board of Directors may, within the limits set by law and any limits predetermined by the Board of Directors, delegate to the Chief Executive Officer or, with his consent, to one or more Deputy Chief Executive Officers, the powers granted to it under this resolution;
6. sets the period of validity of this delegation, which voids any unused portion of any previous delegation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 27 – Allows the Board to grant stock subscription or stock purchase options to employees or corporate officers

Purpose of the authorisation

To authorise the Board of Directors to grant to persons designated by the Board among the salaried employees and corporate officers of Bouygues and of companies or economic interest groupings related to Bouygues, stock options giving the beneficiaries the right either to subscribe for or to buy Bouygues shares. Stock subscription or purchase options (collectively referred to as stock options) are awarded by companies to certain employees and/or senior executives (known as the beneficiaries) as long-term remuneration instruments; they align the interest of the beneficiaries with that of the company and its shareholders, since the return on stock options depends on the rise in the share price.

Rationale for awarding stock options

Since 1988, the Board of Directors has always used stock options as an incentive to secure the loyalty of senior executives and employees and to give them an interest in the Group's development. The objective is, and always has been, not to grant additional remuneration but to tie these individuals into trends in the Bouygues share price. The positive correlation observed between trends in the Bouygues share price and in net profit attributable to the Group shows that the decision to grant stock options is well founded. Close to 700 senior executives and employees are beneficiaries under each plan. Beneficiaries are selected and individual awards determined on the basis of responsibility and performances, with particular attention paid to high-potential executives. No discount is applied when options are granted.

How stock options work

Once authorisation has been obtained from the Annual General Meeting, the Board of Directors offers some or all employees and/or senior executives the right to subscribe for or purchase shares at a set price, corresponding to the average value of the share during the twenty trading days preceding the grant date.

Once a specified period has elapsed, beneficiaries have a certain time-frame in which to exercise their options. This means that if the share price rises, they can subscribe for or purchase shares at a price below the market value. If the share price does not rise, there is no point in the beneficiaries exercising their options.

The issue price, the number of shares or options granted and the list of beneficiaries are determined by the Board of Directors, within the limits laid down by the Annual General Meeting. Information on stock option grants, and on the company's general policy for granting stock options, is contained in the special report on stock options and performance shares (see chapter 6, section 6.4 of this Universal Registration Document).

In accordance with the Afep-Medef Code, the general policy for granting stock options is debated within the Selection and Remuneration Committee and, on the basis of a proposal by that Committee, approved by the Board of Directors. Any grant of options to the company's Executive Officers, and the exercise of options by those Executive Officers, is subject to performance criteria determined by the Board of

Directors. Martin Bouygues and Olivier Bouygues have not been awarded stock option plans since 2010.

Share subscription and purchase price

The price paid to subscribe for or purchase shares may not be less than the average share price quoted on the stock market during the twenty trading days preceding the day when the options are granted. In other words, no discount will be authorised. In addition, the purchase price of existing shares may not be less than the average purchase price of own shares held by Bouygues.

Exercise period

The exercise period will be set by the Board of Directors, but cannot exceed ten years from the date on which the stock options are granted.

Ceilings

2% of the share capital. Any shares allotted free of charge pursuant to the twenty-eighth resolution would count towards that ceiling.

Stock options granted to the Executive Officers of Bouygues may not represent more than 0.25% of the share capital in total. Any shares allotted free of charge to the Executive Officers pursuant to the twenty-eighth resolution would count towards that sub-ceiling.

Duration of the authorisation

Twenty-six months.

Twenty-seventh resolution

(AUTHORISATION TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO GRANT STOCK SUBSCRIPTION OR STOCK PURCHASE OPTIONS TO EMPLOYEES OR CORPORATE OFFICERS OF THE COMPANY OR RELATED COMPANIES)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-177 to L. 225-186-1 and L. 22-10-56 to L. 22-10-58 of the Commercial Code:

1. authorises the Board of Directors to grant, on one or more occasions, to persons it shall designate among the salaried employees and corporate officers of the company and/or of companies and/or groupings that are directly or indirectly related to the company within the meaning of Article L. 225-180 of the Commercial Code, stock options giving the beneficiaries the right, at the discretion of the Board of Directors, to either (i) subscribe for new shares in the company to be issued through a capital increase or (ii) buy existing shares in the company sourced from buybacks carried out by the company;
2. resolves that the total number of stock options granted under this authorisation shall not give the right to subscribe for or acquire a total number of shares representing, at the grant date and taking into account stock options already granted under this authorisation, more than 2% of the company's share capital on the day of the Board of Directors' decision, with the caveat that any shares allotted free of charge pursuant to the twenty-eighth resolution shall also count towards that ceiling;
3. resolves that the total number of stock options that may be granted to Executive Officers of the company under this authorisation shall not give the right to subscribe for or acquire a total number of shares representing, at the grant date and taking into account stock options already granted under this authorisation, more than 0.25% of the company's share capital on the day of the Board of Directors' decision, with the caveat that any shares allotted free of charge to Executive Officers pursuant to the twenty-eighth resolution shall also count towards that sub-ceiling;
4. resolves that if stock subscription options are granted, the price that the beneficiaries pay to subscribe for shares shall be determined on the day the options are granted by the Board of Directors and shall not be less than the average share price quoted on the Eurolist of Euronext Paris, or on any other market that may replace it, during the twenty trading days preceding the day when the stock subscription options are granted;
5. resolves that if stock purchase options are granted, the price that the beneficiaries pay to purchase shares shall be determined on the day the options are granted by the Board of Directors and shall not be less than either (i) the average share price quoted on the Eurolist of Euronext Paris, or on any other market that may replace it, for the twenty trading days preceding the day when the stock subscription options are granted or (ii) the average purchase price of own shares held by the company in accordance with Article L. 22-10-62 of the Commercial Code;
6. resolves that the exercise period for the stock options granted under this authorisation, as determined by the Board of Directors, may not exceed ten years from the grant date, unless a subsequent Annual General Meeting resolves to set a longer exercise period;
7. notes that pursuant to Article L. 225-178 of the Commercial Code, this authorisation expressly entails the waiver by shareholders of their pre-emptive rights to the shares in the company issued as and when the stock options are exercised, in favour of the beneficiaries of the stock options;
8. delegates to the Board of Directors, with power to sub-delegate in accordance with law, full powers to determine the other terms and conditions for granting and exercising stock options, and in particular to:
   a) determine the terms and conditions for granting and exercising the stock options, and draw up the list of beneficiaries of the options,
   b) determine any length of service, performance and other criteria to be fulfilled by beneficiaries of stock options,
   c) in particular, for any stock options granted to Executive Officers of the company, determine the performance criteria to be fulfilled by the beneficiaries, and stipulate that the stock options may not be exercised before the Executive Officers cease to hold office or specify the quantity of shares they must retain in registered form until they cease to hold office,
   d) determine and, as the case may be, extend the exercise period(s), and establish any clauses prohibiting immediate resale of all or some of the shares,
   e) set the date of first entitlement to dividend, which may be retroactive, of new shares arising from the exercise of stock options,
   f) determine the conditions under which the price and the number of shares to be subscribed for or purchased must be adjusted, in

particular under the circumstances specified in applicable laws and regulations,

g) allow the possibility of temporarily suspending the exercise of stock options in the event of corporate finance transactions or securities transactions,

h) limit, restrict or prohibit the exercise of stock options during certain periods or as from certain events, with the possibility that such decisions may apply to all or some of the stock options and all or some of the beneficiaries,

i) conclude all agreements, take all steps, and accomplish or arrange for the accomplishment of all acts or formalities to finalise the capital increase(s) carried out under this authorisation, amend the articles of association accordingly, and generally take all necessary measures,

j) if the Board of Directors deems fit, charge the expenses of the capital increases against the premium arising on each increase and deduct from such amount the sums required to raise the legal reserve to one-tenth of the new share capital following each increase;

9. sets the maximum period during which the Board of Directors may use this authorisation, which voids any unused portion of any previous authorisation granted for the same purpose, at twenty-six months from the date of this meeting.

Resolution 28 – Allows the Board to allot shares free of charge to employees or corporate officers

Purpose of the authorisation

To authorise the Board of Directors to allot shares free of charge to salaried employees and/or corporate officers of Bouygues or of companies and economic interest groupings that are related to Bouygues.

Rationale for the authorisation

As mentioned above, the Board of Directors has always preferred stock options as a mechanism for building loyalty among senior executives and employees and for giving them a stake in the development of the Group. However, the Board believes it would be advisable to leave itself the possibility of using alternative mechanisms for building motivation and loyalty over the long term. You are therefore being asked to grant the Board of Directors authorisation to allot existing or new shares free of charge to individuals designated by the Board from among the salaried employees and eligible corporate officers of Bouygues and of companies and economic interest groupings within or outside France that are related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code.

How allotments of shares free of charge work

If this authorisation is used, the beneficiaries will not acquire ownership of the shares until the end of a minimum vesting period set by the Annual General Meeting, which we propose you set at one year.

The vesting period may then be followed by a lock-up period set by the Board, during which the beneficiaries may not sell their shares. The cumulative length of the vesting period and any lock-up period may not be less than two years. The law allows exemptions to the vesting and lock-up periods in the event of death or disability.

The process for awarding shares would be similar to that described for stock options (twenty-seventh resolution), with the caveat that the Board may, on a proposal from the Selection and Remuneration Committee, make awards of shares free of charge wholly or partially contingent on one or more performance conditions.

Ceilings

1% of the share capital.

Shares allotted free of charge to the Executive Officers of Bouygues may not represent more than 0.125% of the share capital in total.

Duration of the authorisation

Twenty-six months.

Twenty-eighth resolution

(AUTHORISATION TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ALLOT EXISTING OR NEW SHARES FREE OF CHARGE, ENTAILING THE WAIVER BY SHAREHOLDERS OF THEIR PRE-EMPTIVE RIGHTS, IN FAVOUR OF EMPLOYEES OR CORPORATE OFFICERS OF THE COMPANY OR RELATED COMPANIES)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings and having acquainted itself with the Board of Directors' report and the auditors' special report, and in accordance with the provisions of Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code:

1. authorises the Board of Directors to allot free of charge, on one or more occasions, existing or new shares in the company to the beneficiaries indicated below;
2. resolves that the beneficiaries of those shares, whom the Board of Directors shall designate, may include all or certain categories of salaried employees and/or all or certain corporate officers of Bouygues or of companies and economic interest groupings that are related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code;
3. resolves that under this authorisation, the Board of Directors may allot a total number of shares representing up to 1% of the existing share capital of the company on the day of the Board of Directors' decision;
4. resolves in particular that the total number of shares allotted free of charge to Executive Officers of the company pursuant to this authorisation shall not represent more than 0.125% of the company's share capital on the day of the Board of Directors' decision;
5. resolves that the allotment of shares to beneficiaries shall only become definitive at the end of a vesting period, which shall be determined by the Board of Directors but may not be less than one year;
6. resolves that the Board of Directors may also set a minimum lock-up period for beneficiaries, starting from the date on which the shares are definitively allotted;
7. stipulates that, in accordance with law, the cumulative length of the vesting period and any lock-up period may not be less than two years;
8. resolves that shares allotted free of charge shall be allotted immediately, prior to the end of the vesting period, in the event of a category two or three disability suffered by the beneficiary as defined in Article L. 341-4 of the Social Security Code, in which case the lock-up period shall also end immediately;
9. authorises the Board of Directors to use existing or future authorisations granted by the Annual General Meeting, in accordance with the provisions of Article L. 22-10-62 of the Commercial Code;

10. notes that this authorisation entails the automatic waiver by shareholders of their pre-emptive rights to subscribe for ordinary shares issued as and when the shares are definitively allotted, and of any entitlement to ordinary shares allotted free of charge under this authorisation, in favour of the beneficiaries of the shares thereby allotted;
11. resolves that the Board of Directors shall have full powers to implement this authorisation in accordance with legal and regulatory requirements, and in particular to:
    a) determine the conditions and any criteria for the allotment of new or existing shares, and draw up the list or categories of beneficiaries,
    b) determine the length of service conditions that beneficiaries must fulfil,
    c) allow for the possibility of temporarily suspending allotment rights,
    d) set all the other terms and conditions under which the shares will be allotted,
    e) accomplish or arrange for the accomplishment of all acts or formalities necessary to carry out share buybacks and/or complete capital increase(s) that may be carried out pursuant to this authorisation, amend the articles of association accordingly, and in general take all necessary steps, with power to sub-delegate in accordance with law;
12. sets the period of validity of this authorisation at twenty-six months from the date of this meeting;
13. notes that this authorisation voids, from this day, any unused portion of any previous authorisation granted for the same purpose.

Resolution 29 – Allows the Board to allot shares free of charge as a retirement benefit to eligible employees or corporate officers

Purpose of the authorisation

To authorise the Board of Directors to allot shares free of charge as a retirement benefit to employees and/or corporate officers of Bouygues or of companies and economic interest groupings that are related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code.

Rationale for the authorisation

It is proposed that you authorise the Board of Directors to allot existing or new shares free of charge as a retirement benefit.

This scheme will apply to beneficiaries of the vested-rights scheme governed by Article L. 137-11-2 of the Social Security Code who have reached the cap set by the Board of Directors (eight times the annual social security ceiling) in respect of defined-benefit pension schemes in place within Bouygues.

How allotments of shares free of charge as a retirement benefit work

If this authorisation is used, the beneficiaries will not acquire ownership of the shares until after a minimum vesting period of one year. The allotments of shares free of charge will be subject to performance conditions.

These arrangements help align the interests of the beneficiaries on those of the shareholders, because the beneficiaries must retain their shares until they retire. The law allows exemptions to the vesting and lock-up periods in the event of death or disability.

The Board of Directors has set the overall cap for this scheme at fourteen times the annual social security ceiling.

Ceiling

0.125% of the share capital.

Duration of the authorisation

Twenty-six months.

Twenty-ninth resolution

(AUTHORISATION TO THE BOARD OF DIRECTORS, FOR A PERIOD OF TWENTY-SIX MONTHS, TO ALLOT EXISTING OR NEW SHARES FREE OF CHARGE AS A RETIREMENT BENEFIT, ENTAILING THE WAIVER BY SHAREHOLDERS OF THEIR PRE-EMPTIVE RIGHTS, IN FAVOUR OF ELIGIBLE EMPLOYEES OR CORPORATE OFFICERS OF THE COMPANY OR RELATED COMPANIES)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings, having acquainted itself with the Board of the Directors' report and the auditors' special report, and in accordance with Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the Commercial Code:

1. authorises the Board of Directors to allot free of charge, on one or more occasions, existing or new shares in the company to the beneficiaries indicated below as a retirement benefit;
2. resolves that the beneficiaries of those shares, whom the Board of Directors shall designate, may be employees and/or corporate officers of Bouygues or of companies and economic interest groupings that are related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code, who will no longer benefit from the defined-benefit pension scheme;
3. resolves that under this authorisation, the Board of Directors may allot a total number of shares representing up to 0.125% of the existing share capital of the company (on the day of the Board of Directors' decision);
4. resolves that the allotment of shares to beneficiaries shall only become definitive at the end of a vesting period, which shall be determined by the Board of Directors but may not be less than one year;
5. resolves that the Board of Directors may also set a minimum lock-up period for beneficiaries, starting from the date on which the shares are definitively allotted;
6. stipulates that, in accordance with law, the cumulative length of the vesting period and any lock-up period may not be less than two years;
7. resolves that shares allotted free of charge shall be allotted immediately, prior to the end of the vesting period, in the event of a category two or three disability suffered by the beneficiary as defined in Article L. 341-4 of the Social Security Code, in which case the lock-up period shall also end immediately;
8. authorises the Board of Directors to use existing or future authorisations granted by the Annual General Meeting, in accordance with the provisions of Article L. 22-10-62 of the Commercial Code;
9. notes that this authorisation entails the automatic waiver by shareholders of their pre-emptive rights to subscribe for ordinary shares issued as and when the shares are definitively allotted, and of any entitlement to ordinary shares allotted free of charge under this

authorisation, in favour of the beneficiaries of the shares thereby allotted;

10. resolves that the Board of Directors shall have full powers to implement this authorisation in accordance with legal and regulatory requirements, and in particular to:
    a) determine the conditions and any criteria for the allotment of new or existing shares, and draw up the list of beneficiaries who will no longer benefit under the defined-benefit pension scheme;
    b) determine the length of service conditions that beneficiaries must fulfil;
    c) allow for the possibility of temporarily suspending allotment rights;
    d) set all the other terms and conditions under which the shares will be allotted;
    e) accomplish or arrange for the accomplishment of all acts or formalities necessary to carry out share buybacks and/or complete capital increase(s) that may be carried out pursuant to this authorisation, amend the articles of association accordingly, and in general take all necessary steps, with power to sub-delegate in accordance with law;
11. sets the period of validity of this authorisation at twenty-six months from the date of this meeting.

Resolution 30 – Allows the Board to issue equity warrants free of charge during the period of a public offer for the company's shares

Purpose of the delegation of competence

To delegate to the Board of Directors the competence to issue, if it deems fit, equity warrants during a public offer for the company's shares, with waiver of pre-emptive rights to the ordinary shares in the company to which those warrants would give entitlement.

This means that equity warrants giving entitlement to subscribe on preferential terms to Bouygues shares could be allotted free of charge to all existing shareholders prior to the expiry of an unsolicited public offer period.

This mechanism is designed to encourage the bidder to either withdraw its offer or make an improved offer for the company. Because warrants dilute the capital, a bidder will respond either by seeking to withdraw its offer, or by negotiating with the Board of Directors with a view to reaching a consensus on a fair valuation of the company such that the warrants would effectively lapse. Issuing equity warrants during the period of a public offer is a measure designed to prevent, or at the very least hinder, an attempted public offer. In particular, the Board of Directors can use warrants as a bargaining counter to encourage a bidder to improve the terms of its offer, in the interests of the company's shareholders.

However, the powers thereby granted to the Board of Directors are not unlimited. During the public offer period, the bidder and target company must ensure that their actions, decisions and statements do not compromise the best interests of the company, or the fair treatment and access to information of the shareholders of the companies concerned. In addition, if the Board of Directors of the target company takes a decision which is liable to frustrate the offer if implemented, it must inform the AMF (Article 231-7 of the AMF General Regulation).

This resolution must be decided on a simple majority of the votes cast.

Ceilings

Capital increase: €95,000,000 in nominal value or 25% of the share capital at 31 December 2020.

The number of equity warrants is capped at one quarter of the number of existing shares and at 95,000,000.

Duration of the delegation of competence

Eighteen months.

Thirtieth resolution

(DELEGATION OF COMPETENCE TO THE BOARD OF DIRECTORS, FOR A PERIOD OF EIGHTEEN MONTHS, TO ISSUE EQUITY WARRANTS DURING THE PERIOD OF A PUBLIC OFFER FOR THE COMPANY'S SHARES, UP TO A LIMIT OF 25% OF THE SHARE CAPITAL)

The Annual General Meeting, in extraordinary session but having satisfied the quorum and majority requirements for ordinary general meetings, in accordance with the provisions of Article L. 233-32 II of the Commercial Code, and having acquainted itself with the Board of Directors' report and the auditors' report:

1. delegates to the Board of Directors its competence to issue on one or more occasions, during the period of a public offer for the company's shares, warrants giving entitlement to subscribe on preferential terms for one or more shares in the company, and to allot such warrants free of charge to all shareholders who hold shares in the company prior to expiry of the offer period. Such warrants will lapse automatically as soon as the offer and any other competing offer has failed, lapsed or been withdrawn;
2. resolves that the capital increase that may result from the exercise of such equity warrants may not exceed either (i) one-quarter of the number of shares comprising the share capital at the time the warrants are issued, or (ii) a nominal amount of €95,000,000 (ninety-five million euros), and that the maximum number of equity warrants that may be issued may not exceed one quarter of the number of shares comprising the share capital at the time the warrants are issued or 95,000,000 (ninety-five million);
3. resolves that the Board of Directors shall have full powers, with power to sub-delegate in accordance with law, to determine the conditions of exercise of the equity warrants, which must relate to the terms of the offer or any other competing offer, and the other characteristics of the warrants, such as the exercise price or the terms for determining the exercise price, and more generally the characteristics and terms of any issue decided under this delegation;
4. notes that this delegation entails the waiver by shareholders of their pre-emptive rights to those ordinary shares in the company to which any warrants issued pursuant to this delegation may give entitlement;
5. sets the period of validity of this delegation, which voids and replaces any unused portion of any previous delegation granted for the same purpose, at eighteen months from the date of this meeting.

Resolution 31 – Amendment to the age limit for the Chairman of the Board of Directors

In the thirty-first resolution, you are asked, on a recommendation from the Selection and Remuneration Committee, to amend Article 13.7 of the articles of association in order to extend the age limit for serving as Chairman of the Board of Directors from 70 to 85.

This amendment is intended to enable Martin Bouygues to provide support through the recent changes in the company's governance structure, thereby ensuring continuity in the representation of the company's interests.

Thirty-first resolution

(AMENDMENT TO ARTICLE 13 OF THE ARTICLES OF ASSOCIATION TO AMEND THE AGE LIMIT FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings, and having acquainted itself with the Board of Directors' report, hereby resolves to amend Article 13.7 of the company's articles of association as follows:

Existing version	Amended version
The age limit for serving as Chairman shall be 70. If the Chairman reaches the age of 65, his or her term of office must be confirmed by the Board at its next subsequent meeting, for a maximum period of one year. That term of office may then be renewed for successive one-year periods until the Chairman reaches the age of 70, at which point the Chairman is deemed to have automatically resigned.	The age limit for serving as Chairman, where that office is not combined with that of Chief Executive Officer, shall be 85. If the Chairman also serves as Chief Executive Officer, the age limit shall be that applicable to the Chief Executive Officer.

The other provisions of Article 13.7 remain unchanged.

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Resolution 32 – Powers to accomplish formalities

The purpose of this resolution is to enable all legal and administrative formalities, and all filings and publications, to be carried out.

Thirty-second resolution

(POWERS TO ACCOMPLISH FORMALITIES)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings, gives full powers to the bearer of an original, excerpt or copy of the minutes of this Annual General Meeting to accomplish all legal formalities and to make all necessary filings, publications and declarations stipulated by applicable legal and regulatory provisions.

8.2.3 Financial authorisations submitted for approval by the Annual General Meeting

The table below sets out the financial authorisations that shareholders will be asked to grant to the Board of Directors at the Annual General Meeting of 22 April 2021.

In accordance with Article L. 225-37-4, paragraph 3 of the Commercial Code, a table showing financial authorisations to increase the share capital conferred on the Board of Directors by the Annual General Meeting that are currently in force, and the use made of such authorisations during 2020, is provided in the Report on corporate governance (chapter 5, section 5.3.8 of this Universal Registration Document).

The authorisations listed in the table below replace any previous resolutions with the same purpose.

Purpose of the authorisation	Ceiling (nominal amount)	Period of validity
Share buybacks and reductions of share capital		
1. Allow the company to buy back its own shares (Resolution 15)	5% of the share capital, maximum price €55 per share, total cost capped at €1 billion	22 October 2022 (18 months)
2. Reduce the share capital by cancelling shares (Resolution 16)	10% of the share capital in any 24-month period	22 October 2022 (18 months)
Issuance of securities		
3. Increase the share capital with pre-emptive rights for existing shareholders maintained (Resolution 17)	• Capital increase: €150 million • Issuance of debt securities: €7 billion	22 June 2023 (26 months)
4. Increase the share capital by incorporating share premium, reserves or earnings into capital (Resolution 18)	• €4 billion	22 June 2023 (26 months)
5. Increase the share capital by way of public offerings other than those mentioned in Article L. 411-2 of the Monetary and Financial Code, without pre-emptive rights for existing shareholders (Resolution 19)	• Capital increase: €85 million [a] • Issuance of debt securities: €4 billion [a]	22 June 2023 (26 months)
6. Increase the share capital by way of public offerings mentioned in Article L. 411-2 1° of the Monetary and Financial Code, without pre-emptive rights for existing shareholders (Resolution 20)	• Capital increase: 20% of the share capital in any 12-month period and €75 million [a] • Issuance of debt securities: €3.5 billion [a]	22 June 2023 (26 months)
7. Set the price for immediate or future issues of equity securities, without pre-emptive rights for existing shareholders (Resolution 21)	• 10% of the share capital in any 12-month period	22 June 2023 (26 months)
8. Increase the number of securities to be issued in the event of a capital increase with or without pre-emptive rights for existing shareholders (Resolution 22)	• 15% of the initial issue	22 June 2023 (26 months)
9. Increase the share capital as consideration for contributions in kind consisting of another company's equity securities or securities giving access to its capital(Resolution 23)	• 10% of the share capital [a] • Issuance of debt securities: €1.75 billion [a]	22 June 2023 (26 months)
10. Increase the share capital as consideration for securities tendered to a public exchange offer (Resolution 24)	• Capital increase: €85 million [a] • Issuance of debt securities: €4 billion [a]	22 June 2023 (26 months)
11. Issue shares following the issue by a Bouygues subsidiary of securities giving access to shares in Bouygues (Resolution 25)	• Capital increase: €85 million [a]	22 June 2023 (26 months)
12. Issue equity warrants during the period of a public offer (Resolution 30)	• Capital increase: €95 million nominal value and 25% of share capital • The number of warrants is capped at one quarter of the number of existing shares and at 95 million	22 October 2022 (18 months)

Issues reserved for employees and corporate officers of Bouygues and related companies

13. Increase the share capital for the benefit of employees or corporate officers who are members of a company savings scheme (Resolution 26)	• 5% of the share capital	22 June 2023 (26 months)
14. Grant stock subscription and/or stock purchase options (Resolution 27)	• 2% of the share capital • Executive Officers: 0.25% of the share capital	22 June 2023 (26 months)
15. Allot shares free of charge (Resolution 28)	• 1% of the share capital [a] • Executive Officers: 0.125% of the share capital [b]	22 June 2023 (26 months)
16. Allot shares free of charge as a retirement benefit (Resolution 29)	• 0.125% of the share capital [b]	22 June 2023 (26 months)

(a) Counts towards the overall ceiling mentioned in item 3 (Resolution 17).
(b) Counts towards the overall ceilings mentioned in item 14 (Resolution 27).

8.3 AUDITORS' REPORTS

8.3.1 Auditors' special report on regulated agreements

(Annual General Meeting called to approve the financial statements for the year ended 31 December 2020)

To the Annual General Meeting of the shareholders of Bouygues,

In our capacity as auditors of your company, we present below our report on regulated agreements.

We are required to report to you, based on the information provided, on the main terms and conditions of the agreements that have been disclosed to us or which were brought to light as a result of our assignment, as well as the reasons justifying the benefit of those agreements for the company. We are not required to comment on their usefulness or substance, or to determine whether other such agreements exist. It is your responsibility to determine whether these agreements are appropriate and should be approved, in accordance with the terms of Article R. 225-31 of the Commercial Code.

We are also required to report to you the information required under Article R. 225-31 of the Commercial Code regarding transactions carried out during the last financial year under agreements already approved by previous Annual General Meetings.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures involved ensuring that the information disclosed to us was consistent with the source documents from which it was taken.

Agreements submitted to the Annual General Meeting for approval

Agreements authorised during the last financial year

Pursuant to Article L. 225-40 of the Commercial Code, we have been informed of the following agreements entered into during the year ended 31 December 2020, which were approved by the Board of Directors prior to signature.

1) Shared service agreements

At its 18 November 2020 meeting, the Board of Directors authorised the renewal of the shared service agreements with the main subsidiaries, for a period of one year starting 1 January 2021.

REASONS JUSTIFYING THE BENEFIT OF THESE AGREEMENTS FOR BOUYGUES

Shared service agreements are standard in groups of companies. They enable subsidiaries (in return for a fee) to benefit from services and assistance provided by the parent company (principally management, human resources, information technology, and financial and legal services), and to allocate the corresponding expenses between the various user companies.

FINANCIAL TERMS ASSOCIATED WITH THESE AGREEMENTS

The principle behind these agreements is based on rules for allocating and invoicing the cost of shared services, including specific services and a share of residual costs, up to a limit expressed as a percentage of sales of the subsidiary concerned. The share of residual costs is invoiced to the subsidiary concerned at cost plus a margin of 10% for high value-added services and 5% for low value-added services.

The renewal of these agreements had no financial impact on the 2020 financial year. It will impact the 2021 financial year.

PERSONS CONCERNED

- Bouygues Construction: Olivier Roussat (director), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Construction).
- Colas: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Colette Lewiner (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Colas).
- TF1: Olivier Bouygues and Olivier Roussat (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of TF1).
- Bouygues Telecom: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Edward Bouygues (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

2) Cross-charging agreements with business segments for senior executives' pension contributions

At its 18 November 2020 meeting, the Board of Directors authorised the renewal of the cross-charging agreements entered into with Bouygues Construction, Colas, TF1 and Bouygues Telecom, corresponding to their portion of the premiums paid to the insurance company in respect of the contributions relating to their senior executives, for a period of two years starting 1 January 2020.

REASONS JUSTIFYING THE BENEFIT OF THESE AGREEMENTS FOR BOUYGUES

The purpose of these agreements is to enable the principal subsidiaries to grant supplementary pension benefits to their senior executives and to enable Bouygues to recover from those subsidiaries the amount of premiums paid in respect of contributions relating to their senior executives.

FINANCIAL TERMS ASSOCIATED WITH THESE AGREEMENTS

Bouygues invoices its subsidiaries the amount of premiums paid in respect of contributions relating to their senior executives. Bouygues invoiced the following amounts to the subsidiaries (including the 24% levy) in respect of the 2020 financial year:

€	Amount excluding VAT
Bouygues Construction	604,598
Colas	568,453
TF1	604,598
Bouygues Telecom	241,839

PERSONS CONCERNED

- Bouygues Construction: Olivier Roussat (director), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Construction).
- Colas: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Colette Lewiner (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Colas).
- TF1: Olivier Bouygues and Olivier Roussat (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of TF1).
- Bouygues Telecom: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Edward Bouygues (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

3) Amendment to the internal audit service agreement between Bouygues and Bouygues Telecom

At its 18 November 2020 meeting, the Board of Directors authorised the signature of a sixth amendment to the internal audit service agreement between Bouygues and Bouygues Telecom, to extend it to 31 December 2021; the other conditions of the contract remain unchanged.

REASONS JUSTIFYING THE BENEFIT OF THIS AGREEMENT FOR BOUYGUES

This agreement enables Bouygues to set terms for the execution and remuneration of internal audit services that are provided to its subsidiary Bouygues Telecom and contribute to the smooth operation of that subsidiary.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

This amendment had no financial impact on the 2020 financial year. It will impact the 2021 financial year, based on a flat fee of €350,000 excluding VAT payable to Bouygues.

PERSONS CONCERNED

- Bouygues Telecom: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Edward Bouygues (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

Agreements authorised and the since the end of the financial year

We have been informed of the following agreement, authorised and signed after 31 December 2020, which was approved by the Board of Directors prior to signature.

Service agreement with SCDM

At its 17 February 2021 meeting, the Board of Directors authorised the service agreement, which covers the services described below, for a period of one year starting 1 January 2021.

The purpose of this agreement is to determine the conditions under which SCDM, a company owned by Martin Bouygues and by Olivier Bouygues, supplies Bouygues with certain services (research and analysis into strategic developments and the growth of the Bouygues group, multi-year plans, research and analysis into major investments and divestments).

SCDM may also supply Bouygues with specific services other than those provided as part of its ongoing role.

For its part, Bouygues provides SCDM with specific assistance and support services, principally cash management, human resources management and information technology support.

REASONS JUSTIFYING THE BENEFIT OF THIS AGREEMENT FOR BOUYGUES

This agreement enables Bouygues to benefit from the services of Martin Bouygues and of the members of the small group that supports him by conducting the research and analysis mentioned above, as well as various specific services for the benefit of the Group.

This agreement also enables Bouygues to be remunerated by SCDM at market rates for the various specific services that Bouygues carries out on behalf of SCDM.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

Under the terms of this agreement, SCDM invoices Bouygues for costs actually incurred, subject to a cap of €2,000,000 a year corresponding to:

- the remuneration awarded to Martin Bouygues by the Bouygues Board of Directors, at the proposal of the Selection and Remuneration Committee, for his duties as corporate officer including the corresponding social security and tax charges;
- remuneration paid to his teams as consideration for assignments carried out for Bouygues, as well as the corresponding tax and social security charges;
- specific services invoiced at arm's length rates.

Similarly, the specific services Bouygues provides to SCDM are invoiced at arm's length rates.

The renewal of this agreement had no financial impact on the 2020 financial year. It will impact the 2021 financial year.

PERSONS CONCERNED

- SCDM: Martin Bouygues (Chairman), Olivier Bouygues, Edward Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), Cyril Bouygues (standing representative of SCDM Participations on the Board of Directors of Bouygues).

Agreements already approved by an Annual General Meeting

Agreements approved in previous years

a) Under which transactions continued during the last financial year

Pursuant to Article R. 225-30 of the Commercial Code, we were informed that transactions under the following agreements, which had already been approved by previous Annual General Meetings, continued during the last financial year.

1) Shared service agreements

The Combined Annual General Meeting of 23 April 2020 approved the renewal of shared service agreements between Bouygues and Bouygues Construction, Colas, TF1 and Bouygues Telecom, under which Bouygues provides services (principally management, human resources, information technology and financial services) to its various sub-groups, for a period of one year starting 1 January 2020.

FINANCIAL TERMS ASSOCIATED WITH THESE AGREEMENTS

The principle behind these agreements is based on rules for allocating and invoicing the cost of shared services, including specific services and a share of residual costs, up to a limit expressed as a percentage of sales of the subsidiary concerned. The share of residual costs is invoiced to the subsidiary concerned at cost plus a margin of 10% for high value-added services and 5% for low value-added services.

In 2020, Bouygues invoiced the following amounts under these shared service agreements:

€	Amount excluding VAT
Bouygues Construction	18,017,764
Colas	17,953,674
TF1	3,026,410
Bouygues Telecom	9,342,704

PERSONS CONCERNED

- Bouygues Construction: Olivier Roussat (director), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Construction).
- Colas: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Colette Lewiner (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Colas).
- TF1: Olivier Bouygues and Olivier Roussat (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of TF1).
- Bouygues Telecom: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Edward Bouygues (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

In accordance with the authorisation of the Board of Directors of 13 November 2019.

2) Service agreement with SCDM

The Combined Annual General Meeting of 23 April 2020 approved the renewal of the service agreement between Bouygues and SCDM for a period of one year starting 1 January 2020.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

Under this agreement entered into in the 2020 financial year, SCDM invoiced Bouygues €5,380,000 excluding VAT. This amount mainly corresponds (86% of the total) to the salaries of Martin Bouygues and Olivier Bouygues and the corresponding social security charges. The remainder (14% of the total) is for the salaries of the members of their team and the corresponding social security and tax charges.

Bouygues invoiced SCDM €425,354.

PERSONS CONCERNED

- SCDM: Martin Bouygues (Chairman), Olivier Bouygues (CEO), Edward Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), Cyril Bouygues (standing representative of SCDM Participations on the Board of Directors of Bouygues).

In accordance with the authorisation of the Board of Directors of 13 November 2019.

3) Amendment to the internal audit service agreement with Bouygues Telecom

The Combined Annual General Meeting of 23 April 2020 approved the signature of a fifth amendment to the 1 September 2014 internal audit service agreement between Bouygues and Bouygues Telecom, extending it to 31 December 2020, based on a flat fee of €350,000 excluding VAT payable to Bouygues; the other conditions of the contract remaining unchanged.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

The remuneration payable to Bouygues in consideration for the services was a flat fee of €350,000 excluding VAT for the year ended 31 December 2020.

PERSONS CONCERNED

- Bouygues Telecom: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Edward Bouygues (directors) and Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

In accordance with the authorisation of the Board of Directors of 13 November 2019.

4) Trademark licence agreement between Bouygues and GIE 32 Hoche

The Combined Annual General Meeting of 26 April 2018 approved the signature of a trademark licence agreement granting GIE 32 Hoche, owned 90% by Bouygues and 10% by SCDM, non-exclusive rights to use the Bouygues trademark in France for fifteen years from the date of signature of the agreement, i.e. 16 November 2017.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

Bouygues receives an annual fee of €1,000 excluding VAT in respect of this agreement.

PERSONS CONCERNED

- SCDM: Martin Bouygues (Chairman), Olivier Bouygues (CEO), Edward Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), Cyril Bouygues (standing representative of SCDM Participations on the Board of Directors of Bouygues).

In accordance with the authorisation of the Board of Directors of 15 November 2017.

5) Tax election agreements

The Combined Annual General Meeting of 27 April 2017 approved the renewal of the tax election agreements entered into with Bouygues Construction and Colas for a tacitly renewable five-year period from 1 January 2017 to 31 December 2021.

PERSONS CONCERNED

- Bouygues Construction: Olivier Roussat (director), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Construction).
- Colas: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Colette Lewiner (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Colas).

In accordance with the authorisation of the Board of Directors of 15 November 2016.

6) Trademark licence agreements

Bouygues has entered into trademark licence agreements with certain subsidiaries, including Bouygues Construction and Bouygues Telecom, entitling them to use various trademarks, company names and trade names under specific conditions.

a. The Combined Annual General Meeting of 26 April 2012 approved the signature of a single trademark licence agreement between Bouygues and Bouygues Construction in respect of the following trademarks: "Bouygues Construction", "Bouygues Bâtiment", "Bouygues Travaux Publics", "Bouygues TP" and the "Ellipse" logo. The Combined Annual General Meeting of 25 April 2013 approved the signature of an amendment to the agreement authorising Bouygues Construction, with no alteration to the annual fee, to sub-license to its subsidiary Bouygues Energies & Services the right to use the "Bouygues Energies & Services" and "Bouygues E & S" trademarks in France and a number of foreign countries.

This agreement came into force on 1 January 2012 for 15 years, i.e. until 31 December 2026.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

Bouygues invoiced Bouygues Construction €500,000 excluding VAT in respect of this agreement in 2020.

PERSONS CONCERNED

- Bouygues Construction: Olivier Roussat (director), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Construction).

In accordance with the authorisations of the Board of Directors of 6 December 2011 and 29 January 2013.

b. The Combined Annual General Meeting of 29 April 2010 approved the signature of a trademark licence agreement in respect of the following trademarks: "Bouygues Telecom", "Bouygtel" and "Bouygnet". This agreement came into force on 9 December 2009 for fifteen years, i.e. until 9 December 2024. An amendment to this agreement was approved by the Combined Annual General Meeting of 21 April 2016.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

Bouygues invoiced Bouygues Telecom €700,000 excluding VAT in respect of this agreement in 2020.

PERSONS CONCERNED

- Bouygues Telecom: Olivier Roussat (Chairman of the Board of Directors), Olivier Bouygues and Edward Bouygues (directors), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

In accordance with the authorisations of the Board of Directors of 1 December 2009 and 24 February 2015.

7) Sub-lease agreement concerning the Challenger building

The Combined Annual General Meeting of 22 April 2000 approved the signature of a sub-lease agreement with Bouygues Construction for part of the Challenger building in Saint-Quentin-en-Yvelines (France). This agreement will expire on 31 December 2021.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

Bouygues invoiced Bouygues Construction €82,133.32 excluding VAT in respect of this agreement in 2020.

PERSONS CONCERNED

- Bouygues Construction: Olivier Roussat (director), Pascal Grangé (standing representative of Bouygues on the Board of Directors of Bouygues Construction).

In accordance with the authorisation of the Board of Directors of 4 November 1999.

8) Aircraft charter agreement between Airby and Bouygues

The Combined Annual General Meeting of 26 April 2012 approved the signature of an aircraft charter agreement, including pilots and flight service fees, with Airby (a company owned indirectly by Bouygues and SCDM). An amendment to the agreement was approved by the Combined Annual General Meeting of 24 April 2014.

The agreement is for an indefinite period.

This agreement enables senior executives and employees of Bouygues to call upon the services of Airby as needed for business travel purposes. Specifically, it makes it easier for them to travel to places inadequately served by commercial airlines, or to save time when making business trips to several locations in succession. The subsidiaries are charged by Airby on the same fee scale.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

The price per flight hour is revised annually to reflect market prices.

The overall price per flight hour remained unchanged in 2020. The overall price for the "Global" aircraft owned by Airby is €7,000 excluding VAT per flight hour. When Airby provides an aircraft that has been rented on the market, the rental is invoiced at cost plus €1,000 excluding VAT, which remunerates the charter service provided.

Airby invoiced Bouygues €151,083 excluding VAT in respect of this agreement in 2020.

PERSONS CONCERNED

- SCDM: Martin Bouygues (Chairman), Olivier Bouygues (CEO), Edward Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), Cyril Bouygues (standing representative of SCDM Participations on the Board of Directors of Bouygues).

In accordance with the authorisations of the Board of Directors of 15 November 2011 and 13 November 2013.

b) Under which no transactions took place during the last financial year

We were also informed of the following ongoing agreements approved by Annual General Meetings in previous years but under which no transactions took place during the last financial year.

Liability for defence costs

The Combined Annual General Meeting of 28 April 2005 approved the principle of Bouygues assuming any defence or procedural costs incurred by Bouygues senior executives or employees in connection with criminal proceedings resulting in discharge or acquittal, where such proceedings are brought against them for acts committed in performance of their duties or for merely holding office as director, Chairman, Chief Executive Officer, Deputy Chief Executive Officer or any equivalent office in a Group company.

No amounts were paid in respect of this agreement in 2020.

Paris-La Défense, 17 February 2021
The Statutory Auditors

ERNST & YOUNG Audit	**MAZARS**
Nicolas Pfeuty	Gilles Rainaut

8.3.2 Other auditors' reports to the Ordinary General Meeting

The other auditors' reports to the Ordinary General Meeting are provided in sections 7.2 (Auditors' report on the consolidated financial statements) and 7.4 (Auditors' report on the parent company financial statements) of this Universal Registration Document.

8.3.3 Auditors' reports to the Extraordinary General Meeting

To the shareholders,

Auditors' report on the reduction of share capital (sixteenth resolution)

In our capacity as auditors of Bouygues, and as required under Article L. 22-10-62 of the Commercial Code in the event of a capital reduction by cancelling shares repurchased by the issuer, we present our report to you on our assessment of the reasons for the proposed capital reduction and the terms and conditions thereof.

The Board of Directors is asking you to grant it full powers, with the option of sub-delegation in accordance with law, for a period of eighteen months from the date of this meeting, to cancel, up to a limit of 10% of the share capital over any twenty-four month period, some or all of the shares purchased pursuant to an authorisation given to the company to buy back its own shares within the scope of the aforementioned Article.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures involved assessing whether the reasons for and the terms and conditions of the proposed capital reduction, which is not of a nature that would impair the equal rights of all shareholders, are proper.

We have no matters to report concerning the reasons for and terms and conditions of the proposed capital reduction.

Auditors' report on issues of shares and/or securities giving access to shares in the company with or without pre-emptive rights (seventeenth, nineteenth, twentieth, twenty-first, twenty-second, twenty-third, twenty-fourth and twenty-fifth resolutions)

In our capacity as auditors of Bouygues, and as required under Articles L. 228-92, L. 225-135 et seq and L. 22-10-52 of the Commercial Code, we present our report to you on the proposals to grant the Board of Directors powers to carry out various issues of shares and/or securities, which you are being asked to approve.

The Board of Directors is asking you, on the basis of its report, to:

- delegate to it the competence, with powers to sub-delegate in accordance with law, for a period of twenty-six months from the date of this meeting, to decide on the following transactions and set the final terms and conditions thereof, and proposes, where applicable, that you waive your pre-emptive subscription rights:
  - to issue, with pre-emptive rights (seventeenth resolution), (i) ordinary shares in the company and (ii) securities of any kind whatsoever, issued free of charge or for consideration, giving access in whatever manner immediately and/or in the future, at any time or on a set date, to new ordinary shares to be issued by Bouygues or by any company in which Bouygues owns directly or indirectly more than half of the capital,
  - to issue, without pre-emptive rights, by way of public offerings other than those mentioned in Article L. 411-2 of the Monetary and Financial Code (nineteenth resolution), (i) ordinary shares in the company and (ii) securities of any kind whatsoever giving access in whatever manner, immediately and/or in the future, to new ordinary shares to be issued by Bouygues or by any company in which Bouygues owns directly or indirectly more than half of the capital,
  - to issue, without pre-emptive rights, by way of the public offerings mentioned in Article L. 411-2 1° of the Monetary and Financial Code, up to a limit of 20% of the share capital over a twelve-month period (twentieth resolution), (i) ordinary shares in the company and (ii) securities of any kind whatsoever giving access in whatever manner, immediately and/or in the future, to new ordinary shares to be issued by Bouygues or by any company in which Bouygues owns directly or indirectly more than half of the capital,
  - to issue ordinary shares and/or securities in the event of a public exchange offer initiated by Bouygues (twenty-fourth resolution),
  - to issue ordinary shares, without pre-emptive rights, as a result of the issuance, by any company in which Bouygues directly or indirectly holds more than half of the capital, of securities giving access to ordinary shares in Bouygues (twenty-fifth resolution);
- authorise it, in the twenty-first resolution, for a period of twenty-six months from the date of this meeting, and in implementing each of the delegations granted in the nineteenth and twentieth resolutions, to set the issue price, up to the annual statutory limit of 10% of the share capital;
- delegate to it the competence, with powers to sub-delegate in accordance with law, for a period of twenty-six months from the date of this meeting, to issue ordinary shares in the company or securities giving access in whatever manner, immediately and/or in the future, to new ordinary shares in Bouygues, as consideration for contributions in kind consisting of equity securities or securities giving access to the capital or securities of another company (twenty-third resolution), up to a limit of 10% of the share capital.

The nominal amount of capital increases that may be implemented now or in the future may not exceed €150,000,000 for the seventeenth resolution, €85,000,000 for each of the nineteenth, twenty-fourth and twenty-fifth resolutions, and €75,000,000 for the twentieth resolution, and shall count towards the overall ceiling of €150,000,000 set in respect of the seventeenth, nineteenth, twentieth, twenty-third, twenty-fourth and twenty-fifth resolutions.

The nominal amount of debt securities that may be issued may not exceed €7,000,000,000 for the seventeenth resolution, €4,000,000,000 for the nineteenth and twenty-fourth resolutions, €3,500,000,000 for the twentieth resolution and €1,750,000,000 for the twenty-third resolution, and shall count towards the overall ceiling of €7,000,000,000 set in respect of the seventeenth, nineteenth, twentieth, twenty-third and twenty-fourth resolutions.

These ceilings take into account the additional number of securities that may be issued pursuant to the aforementioned delegations under the conditions set forth in Article L. 225-135-1 of the Commercial Code, if you adopt the twenty-second resolution.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 et seq of the Commercial Code. Our responsibility is to express an opinion on the fairness of the quantitative information derived from the accounts, on the proposal to cancel pre-emptive rights and on other specific information regarding these transactions, as contained in that report.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures involved verifying the information provided in the Board of Directors' report on these transactions and the terms and conditions for determining the price of the equity securities to be issued.

Pending a subsequent review of the terms and conditions of any issues that may be decided, we have no matters to report concerning the terms and conditions for determining the issue price of the equity securities to be issued as set out in the Board of Directors' report in respect of the nineteenth, twentieth and twenty-fifth resolutions.

We have the following matter to report in respect of the report of the Board of Directors:

That report does not contain any justification for the terms and conditions for determining the issue price for the equity securities to be issued pursuant to the twenty-first resolution up to an annual limit of 10% of the share capital. Consequently, we are unable to express an opinion on the terms and conditions for determining this price.

In addition, as that report does not specify the terms and conditions for determining the issue price for the equity securities to be issued pursuant to the delegations granted under the seventeenth, twenty-third and twenty-fourth resolutions, we are unable to express an opinion on the basis for calculating this price.

As the final terms and conditions of the issues have not yet been set, we do not express an opinion on those terms and conditions, and consequently on the proposal to cancel your pre-emptive rights made to you in the nineteenth, twentieth and twenty-fifth resolutions.

In accordance with Article R. 225-116 of the Commercial Code, we will draw up a supplementary report if the Board of Directors decides to use these delegations to issue equity securities giving access to other equity securities or giving entitlement to the allotment of debt securities; if securities giving access to future equity instruments are issued; and if shares are issued without pre-emptive rights.

Auditors' report on the capital increase reserved for members of a company savings scheme or an inter-company savings scheme (twenty-sixth resolution)

In our capacity as auditors of Bouygues and as required under Articles L. 225-135 et seq of the Commercial Code, we present our report to you on the proposal to delegate to the Board of Directors the competence to carry out capital increases by carrying out issues of ordinary shares, without pre-emptive rights, reserved for employees and corporate officers of Bouygues or any French or foreign companies related to Bouygues within the meaning of applicable law, who are members of any company or Group savings scheme or any inter-company savings scheme, up to a maximum of 5% of the company's share capital on the day of the Board of Directors' decision, a transaction that you are being asked to approve.

This capital increase is submitted for your approval in accordance with the provisions of Article L. 225-129-6 of the Commercial Code and Articles L. 3332-18 et seq of the Labour Code.

Based on its report, the Board of Directors is asking you to delegate to it the competence, for a period of twenty-six months from the date of this meeting, to decide to carry out a capital increase and to cancel your pre-emptive rights to the ordinary shares thereby issued. The Board will be responsible for setting the final terms and conditions of any such capital increase.

The Board of Directors is responsible for drawing up a report in accordance with Articles R. 225-113 and R. 225-114 of the Commercial Code. Our responsibility is to express an opinion on the fairness of the quantitative information derived from the accounts, on the proposal to cancel pre-emptive rights, and on other specific information regarding the issue contained in that report.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures involved verifying the information provided in the Board of Directors' report on this transaction and on the terms and conditions for determining the issue price of the shares.

Pending a subsequent analysis of the conditions of any such capital increase, we have no matters to report concerning the terms and conditions for determining the issue price of the ordinary shares to be issued as set out in the Board of Directors' report.

As the final terms and conditions under which the capital increase would be carried out have not yet been set, we do not express an opinion on those terms and conditions and consequently, on the proposal made to you to cancel your pre-emptive rights.

In accordance with Article R. 225-116 of the Commercial Code, we will draw up a supplementary report if and when this delegation is used by the Board of Directors.

Auditors' report on the authorisation to grant stock subscription or stock purchase options (twenty-seventh resolution)

In our capacity as auditors of Bouygues and as required under Articles L. 225-177 and R. 225-144 of the Commercial Code, we present our report to you on the authorisation to grant stock subscription or stock purchase options to persons designated by the Board of Directors among the salaried employees and corporate officers of Bouygues and/or of companies or economic interest groupings directly or indirectly related to Bouygues on the conditions specified in Article L. 225-180 of the Commercial Code, which you are being asked to approve.

The total number of stock options granted cannot give entitlement to subscribe for or acquire a total number of shares representing more than 2% of the company's share capital at the date of grant by the Board of Directors. Any shares allotted free of charge pursuant to the twenty-eighth resolution shall count towards that ceiling.

In addition, the total number of stock options that may be granted to the company's Executive Officers pursuant to this authorisation cannot give entitlement to subscribe for or acquire a total number of shares representing more than 0.25% of the company's share capital at the date the options are granted by the Board of Directors, with the caveat that any shares allotted free of charge to Executive Officers pursuant to the twenty-eighth resolution shall also count towards that sub-ceiling.

Based on its report, the Board of Directors is asking you to authorise it, for a period of twenty-six months from the date of this meeting, to grant stock subscription or stock purchase options.

The Board of Directors is responsible for drawing up a report on the reasons for opening up the possibility of granting stock subscription or stock purchase options, and on the proposed terms and conditions for setting the subscription or purchase price. Our responsibility is to express an opinion on the proposed terms and conditions for setting the share subscription or purchase price.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures included assessing whether the proposed terms and conditions for setting the share subscription or purchase price as presented in the Board of Directors' report comply with applicable law and regulations.

We have no matters to report regarding the proposed terms and conditions for setting the share subscription or purchase price.

Auditors' report on the authorisation to allot existing or new shares free of charge (twenty-eighth resolution)

In our capacity as auditors of Bouygues and as required under Article L. 225-197-1 of the Commercial Code, we present our report to you on the proposed allotment of existing or new shares free of charge to persons designated by the Board of Directors among the salaried employees (or certain categories of salaried employees) and/or corporate officers (or certain corporate officers) of Bouygues or of companies and economic interest groupings related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code, which you are being asked to approve.

The total number of shares allotted cannot represent more than 1% of the company's share capital on the date the Board of Directors decides to allot the shares, with the caveat that the total number of stock options granted pursuant to the twenty-seventh resolution shall also count towards that ceiling.

The total number of shares that may be allotted free of charge to Executive Officers of Bouygues pursuant to this resolution cannot exceed 0.125% of the company's share capital on the date the Board of Directors decides to allot the shares, with the caveat that the total number of stock options granted to the company's Executive Officers pursuant to the twenty-seventh resolution shall also count towards that ceiling.

Based on its report, the Board of Directors is asking you to authorise it, for a period of twenty-six months from the date of this meeting, to allot existing or new Bouygues shares free of charge.

The Board of Directors is responsible for drawing up a report on these transactions for which it seeks authorisation. Our responsibility is to report to you any matters arising on the information provided in their report to you on the proposed transaction.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures included checking that the proposed terms and conditions as set out in that report are legally compliant.

We have no matters to report concerning the information provided in the Board of Directors' report on the proposed authorisation to allot shares free of charge.

Auditors' report on the authorisation to allot existing or new shares free of charge as a retirement benefit (twenty-ninth resolution)

In our capacity as auditors of Bouygues and as required under Article L. 225-197-1 of the Commercial Code, we present our report to you on the proposed allotment of existing or new shares free of charge as a retirement benefit to eligible salaried employees and/or corporate officers of Bouygues or of companies and economic interest groupings related to Bouygues within the meaning of Article L. 225-197-2 of the Commercial Code, which you are being asked to approve.

The total number of shares allotted cannot represent more than 0.125% of the company's share capital on the date the Board of Directors decides to allot the shares.

Based on its report, the Board of Directors is asking you to authorise it, for a period of twenty-six months from the date of this meeting, to allot existing or new Bouygues shares free of charge.

The Board of Directors is responsible for drawing up a report on these transactions for which it seeks authorisation. Our responsibility is to report to you any matters arising on the information provided in their report to you on the proposed transaction.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures included checking that the proposed terms and conditions as set out in that report are legally compliant.

We have no matters to report concerning the information provided in the Board of Directors' report on the proposed authorisation to allot shares free of charge.

Auditors' report on the proposed issue of equity warrants free of charge during the period of a public offer for the company's shares (thirtieth resolution)

In our capacity as auditors of Bouygues and as required under Article L. 228-92 of the Commercial Code, we present our report to you on the proposed issue of equity warrants free of charge in the event of a public offer for the company's shares, which you are being asked to approve.

Based on its report, the Board of Directors is asking you to delegate to it the competence, for a period of eighteen months from the date of this meeting, and pursuant to Article L. 233-32 II of the Commercial Code, to:

- decide to issue equity warrants pursuant to Article L. 233-32 II of the Commercial Code giving the holders preferential subscription rights to one or more shares in the company, and to allot such warrants free of charge to all shareholders who hold shares in the company prior to the expiry of the public offer period;
- set the terms and conditions of exercise and any other characteristics of those equity warrants.

The nominal amount of shares that may thereby be issued may not exceed €95,000,000 or one quarter of the number of shares that make up the share capital on the warrant issue date, and the number of warrants issued may not exceed 95,000,000 or one quarter of the number of shares that make up the share capital on the warrant issue date.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 et seq of the Commercial Code. Our responsibility is to express an opinion on the fairness of the quantitative information derived from the accounts and on other specific information regarding the issue contained in that report.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Those procedures involved verifying the information provided in the Board of Directors' report on this transaction.

We have no matters to report concerning the information provided in the Board of Directors' report on the proposed issue of equity warrants in the event of a public offer for the company's shares.

In accordance with Article R. 225-116 of the Commercial Code, we will draw up a supplementary report if and when this authorisation is used by the Board of Directors.

Paris-La Défense, 15 March 2021
The Statutory Auditors

ERNST & YOUNG Audit
Nicolas Pfeuty

MAZARS
Gilles Rainaut

GLOSSARY

4G consumption: data consumed on 4G cellular networks, excluding Wi-Fi.

4G users: customers who have used the 4G network during the last three months (Arcep definition).

ABPU (Average Billing Per User):

- In the mobile segment, it is equal to the total of mobile sales billed to customers (BtoC and BtoB) divided by the average number of customers over the period. It excludes MtoM SIM cards and free SIM cards.
- In the fixed segment, it is equal to the total of fixed sales billed to customers (excluding BtoB) divided by the average number of customers over the period.

BtoB (business to business): when one business makes a commercial transaction with another.

Backlog:

- **Bouygues Construction, Colas:** the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensory clauses have been lifted).
- **Bouygues Immobilier:** sales outstanding from notarized sales plus total sales from signed reservations that have still to be notarized.

  Under IFRS 11, Bouygues Immobilier's backlog does not include sales from reservations taken via companies accounted for by the equity method (co-promotion companies where there is joint control).

Construction businesses: Bouygues Construction, Bouygues Immobilier and Colas.

EBITDA after Leases: current operating profit after taking account of the interest expense on lease obligations, before (i) net charges for depreciation, amortization and impairment losses on property, plant and equipment and intangible assets, (ii) net charges to provisions and other impairment losses and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests

EBITDA margin after Leases (Bouygues Telecom): EBITDA after Leases as a proportion of sales from services.

Free cash flow: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies.

Free cash flow after WCR: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations, and after changes in working capital requirements (WCR) related to operating activities. It is calculated after changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies. Free cash flow by business segment is shown in Note 17 "Segment information" in the notes to the consolidated financial statements at 31 December 2020 in Chapter 7 of this document.

Fixed churn: the total number of cancellations in a given month, divided by the total number of subscribers at the end of the previous month.

FTTH (Fibre to the Home): optical fibre from the central office (where the operator's transmission equipment is installed) all the way to homes or business premises (Arcep definition).

FTTH penetration rate: the FTTH share of the total fixed subscriber base (the number of FTTH customers divided by the total number of fixed customers)

FTTH premises secured: the horizontal deployed, being deployed or ordered up to the concentration point.

FTTH premises marketed: the connectable sockets, i.e. the horizontal and vertical deployed and connected via the concentration point.

Growth in sales like-for-like and at constant exchange rates:

- **at constant exchange rates:** change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;
- **on a like-for-like basis:** change in sales for the periods compared, adjusted as follows:
  - for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
  - for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

Mobile churn: the total number of cancellations in a given month, divided by the total number of subscribers at the end of the previous month.

MtoM: machine to machine communication. This refers to direct communication between machines or smart devices or between smart devices and people via an information system using mobile communications networks, generally without human intervention.

Net surplus cash/(net debt): the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. Net surplus cash/(net debt) does not include non-current and current lease obligations. A positive figure represents net surplus cash and a negative figure represents net debt. The main components of change in net debt are presented in Note 9 to the consolidated financial statements at 31 December 2020, available at bouygues.com.

Order intake (Bouygues Construction, Colas): a project is included under order intake when the contract has been signed and has taken effect (the notice to proceed has been issued and all suspensory clauses have been lifted) and the financing has been arranged. The amount recorded corresponds to the sales the project will generate.

PIN: Public-Initiative Network.

Reservations by value (Bouygues Immobilier): the € amount of the value of properties reserved over a given period.

- **Residential properties:** the sum of the value of unit and block reservation contracts signed by customers and approved by Bouygues Immobilier, minus registered cancellations.
- **Commercial properties:** these are registered as reservations on notarized sale.

For co-promotion companies:

- if Bouygues Immobilier has exclusive control over the co-promotion company (full consolidation), 100% of amounts are included in reservations;
- if joint control is exercised (the company is accounted for by the equity method), commercial activity is recorded according to the amount of the equity interest in the co-promotion company.

Sales from services (Bouygues Telecom) comprise:

- Sales billed to customers, which include:
  - **In Mobile:**
    - For BtoC customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services.
    - For BtoB customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services, plus sales from business services.
    - Machine-To-Machine (MtoM) sales.
    - Visitor roaming sales.
    - Sales generated with Mobile Virtual Network Operators (MVNOs)
  - **In Fixed:**
    - For BtoC customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire.
    - For BtoB customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire, plus sales from business services.
    - Sales from bulk sales to other fixed line operators.
- Sales from incoming Voice and Texts.
- Spreading of handset subsidies over the projected life of the customer account, required to comply with IFRS 15.
- Capitalization of connection fee sales, which is then spread over the projected life of the customer account.

Other sales (Bouygues Telecom): difference between Bouygues Telecom’s total sales and sales from services.

It comprises:

- Sales from handsets, accessories and other
- Roaming sales
- Non-telecom services (construction of sites or installation of FTTH lines)
- Co-financing of advertising

Very-high-speed: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s. Includes FTTH, FTTLA, 4G box and VDSL2 subscriptions (Arcep definition).

Wholesale: wholesale market for telecoms operators.

CONCORDANCE

This concordance reproduces the items listed in Annex I of the Delegated Regulation (EU) 2019/980 and gives the reference of the pages of this Universal Registration Document (URD) where the information relating to each item may be found.

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Historical financial information for 2018 and 2019

Pursuant to Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129, the following information is included by reference in this Universal Registration Document:

- key financial information and the consolidated financial statements for the year ended 31 December 2018 and the auditors' reports relating thereto, presented respectively on pages 17 to 22 and 260 to 362 of the 2018 Registration Document filed with the Autorité des Marchés Financiers on 20 March 2019 under No. D. 19-0176 ;
- key financial information and the consolidated financial statements for the year ended 31 December 2019 and the auditors' reports relating thereto, presented respectively on pages 16 to 21 and 265 to 362 of the 2019 Universal Registration Document filed with the Autorité des Marchés Financiers on 23 March 2020 under No. D.20-0157.

These documents are available in the Finance/Regulated information section of the Bouygues website at www.bouygues.com.

Full-year financial report

The concordance below identifies the information in this Universal Registration Document which constitutes the full-year financial report that listed companies are required to issue pursuant to Article L. 451-1-2 of the Monetary and Financial Code and Article 222-3 of the AMF General Regulation:

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Management report

The concordance below identifies the information which constitutes the management report pursuant to Articles L. 225-100 *et seq.*, L. 22-10-35 *et seq.* and L. 232-1 of the Commercial Code.

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6.	**Other information**	
6.1.	Additional tax information (Articles 223 quater and 223 quinquies of the General Tax Code)	not applicable
6.2.	Injunctions or financial penalties for anti-competitive practices (Article L. 464-2 of the Commercial Code)	not applicable

Group CSR challenges and extra-financial reporting quantitative indicators

	Group CSR challenges	
Human resources Section 3.2	Ensuring health, safety and well-being in the workplace **Section 3.2.2**	• Frequency rate of workplace accidents among staff
		• Severity rate of workplace accidents among staff
		• Number of fatal accidents
		• Number of employees with a recognised occupational illness
		• Number of days off work as a result of a workplace accident
		• Absenteeism rate
		• Number of temporary staff (FTE)
		• Number of workplace accidents among temporary staff
		• Number of fatal accidents among temporary staff
		• Existence of employee representation outside France
	Attracting, recruiting and inducting employees while fighting all forms of discrimination through high-quality labour relations **Section 3.2.3**	• Headcount by region
		• Headcount outside France
		• Benefits granted to employees
		• Recruitment by job category in France and outside France
		• Number of apprenticeship contracts during the year
		• Number of professional training contracts during the year
		• Number of departures
		• Average gross annual salary by job category in France
		• Workforce by gender
		• Women with staff status of which have manager status
		• Women with worker status
		• Number of employees with disabilities
		• Number of employees with disabilities hired during the year
		• Sales with sheltered workshops and disability-friendly companies during the year
		• Workforce by age range
	Supporting employees throughout their careers by addressing changes in occupational roles and skill-sets early on **Section 3.2.4**	• Existence of a formal training plan
		• Number of employees trained
		• Average number of training days per employee trained
		• Number of training days

	Group CSR challenges	
Environmental impacts Section 3.3	Rolling out a comprehensive strategy for reducing greenhouse gas emissions and adapting products and services to climate change, in line with public policies **Section 3.3.2**	• Energy used per tonne of asphalt mix produced (Colas)
		• Warm- and low-temperature asphalt mixes (Colas)
		• Total energy costs (Colas)
		• Total electricity consumption (Bouygues Telecom)
		• Bouygues group greenhouse gas emissions
		• Greenhouse gas emissions by source
		• Greenhouse gas emissions by business segment
		• Carbon intensity by business segment
		• Group carbon intensity (Scopes 1, 2 and 3a)
		• Greenhouse gas emission reduction targets for 2030
		• Greenhouse gas emissions relative to production of a tonne of asphalt mix (Colas)
	Making the circular economy a driver for transforming building and communications methods **Section 3.3.4**	• Recycled materials in relation to the volume of aggregates produced
		• Asphalt pavement recycled in order to reclaim bitumen
		• Waste oil recovery rate
		• Percentage of spoil recycled
		• Usable non-hazardous waste recycled
		• Percentage of non-hazardous waste recycled (not landfilled)
		• Handsets collected for recycling or re-use (from customers/after-sales)
		• Volume of recycled materials (Colas)
		• Volume of aggregates from recycled pavement
	Helping customers and end-users save energy and make sustainable use of resources **Sections 3.3.1 and 3.3.5**	• R&D budget spent on CSR (Bouygues Construction)
		• Buildings in the annual order intake with a commitment to environmental labelling or certification prescribed by Bouygues Construction
		• Surface area of road pavement recycled in-place
		• Number of housing units carrying the BiodiverCity Ready label or covered by a commitment to obtain it (Bouygues Immobilier)
		• Number of construction projects with the BiodiverCity label (Bouygues Construction)
	Minimising the environmental impact of business activities; biodiversity and ecosystem protection **Sections 3.3.1 et 3.3.4**	• Sales covered by an ISO 14001-certified EMS
		• Environmental certification of materials production sites (Colas)
		• Rate of environmental self-assessment using Colas checklists
		• Materials production activities that use a tool to manage environmental impacts (environmental certification and/or Colas checklists)
		• Share of permanent activities located in extremely water-stressed areas
		• Water self-sufficiency rate in extremely water-stressed areas
		• Share of sales before inter-company eliminations in extremely water-stressed areas where an action plan has been implemented
		• Share of aggregates production sites working to promote biodiversity (Colas)

Stakeholder challenges Section 3.4	Meeting societal expectations in terms of integration, poverty alleviation and service accessibility and conducting dialogue with Group stakeholders **Sections 3.4.2, 3.4.3 and 3.4.5**	• Sales before inter-company eliminations of materials production sites working to promote dialogue with local communities • Number of partnerships during the year supporting integration, education and healthcare (Bouygues Construction) • Spending on patronage and sponsorship in cash and in kind • Number of hours devoted to occupational integration and the corresponding full-time equivalent (France) (Bouygues Construction) • Percentage of expenditure favouring local companies (Bouygues Construction)
Governance challenges: human rights, ethics	Ensuring that human rights and international conventions are upheld in all decisions and relationships with business partners **Section 3.4.5**	• Number of CSR assessments carried out on suppliers and/or subcontractors • Share of business segment expenditure targeted by CSR criteria or covered by CSR assessments • Specific qualitative indicators by business segment
	Managing business relations transparently and responsibly **Section 3.4.1**	• Number of employees trained using the Fair Deal module • Number of eligible employees trained using the Fair Play module (Colas) • Number of employees trained in ethics using the BI Learn module (Bouygues Immobilier) • Specific qualitative indicators by business segment

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"I hereby declare that, to the best of my knowledge, the information in this Universal Registration Document is correct and that all reasonable measures have been taken to that end. There are no omissions likely to alter the scope of this information.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial positions and results of the company and all the undertakings included in the consolidation taken as a whole; and that the management report on pages 5 to 265 and 361 to 405 includes a fair review of the development and performance of the business, the results and the financial position of the company and all the undertakings in the consolidation taken as a whole, and that it describes the principal risks and uncertainties that they face".

Paris, 17 March 2021

Olivier Roussat,

Chief Executive Officer

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Bouygues SA • Group Corporate Communications department • 32 avenue Hoche • F-75378 Paris CEDEX 08 • Tel.:+33 (0)1 44 20 10 00

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MORE ABOUT BOUYGUES

Shareholders and investors

Karine Adam Gruson

Investor Relations Director

- Tel.: +33 (0)1 44 20 10 79
- E-mail: investors@bouygues.com

Press relations

- Tel.: +33 (0)1 44 20 12 01
- E-mail: presse@bouygues.com

Registered share service

Gaëlle Pinçon – Marie-Caroline Thabuy

- Tel.: +33 (0)1 44 20 10 61/11 07
- Toll free number: 0 805 120 007
  (free from a fixed line in France)
- E-mail: servicetitres.actionnaires@bouygues.com
- Fax: +33 (0)1 44 20 12 42

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Group Corporate Communications department

- Tel.: +33 (0)1 44 20 10 70
- E-mail: publications@bouygues.com

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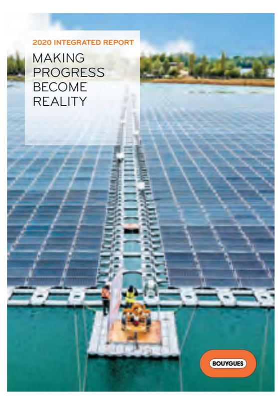

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- @GroupeBouygues
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- Bouygues group

BOUYGUES GROUP
32 avenue Hoche
F-75378 Paris cedex 08
Tel.: +33 (0)1 44 20 10 00
bouygues.com
Twitter: @GroupeBouygues

BOUYGUES CONSTRUCTION
Challenger
1 avenue Eugène Freyssinet - Guyancourt
F-78061 Saint-Quentin-en-Yvelines cedex
Tel.: +33 (0)1 30 60 33 00
bouygues-construction.com
Twitter: @Bouygues_C

BOUYGUES IMMOBILIER
3 boulevard Gallieni
F-92445 Issy-les-Moulineaux cedex
Tel.: +33 (0)1 55 38 25 25
bouygues-immobilier-corporate.com
Twitter: @Bouygues_Immo

COLAS
1 rue du Colonel Pierre Avia
F-75015 Paris
Tel.: +33 (0)1 47 61 75 00
colas.com
Twitter: @GroupeColas

TF1
1 quai du Point du jour
F-92656 Boulogne-Billancourt cedex
Tel.: +33 (0)1 41 41 12 34
groupe-tf1.fr
Twitter: @GroupeTF1

BOUYGUES TELECOM
37-39 rue Boissière
F-75116 Paris
Tel.: +33 (0)1 39 26 60 33
corporate.bouyguestelecom.fr
Twitter: @bouyguestelecom

BOUYGUES