

2019 UNIVERSAL REGISTRATION DOCUMENT

INCLUDES THE
FULL-YEAR FINANCIAL REPORT



BOUYGUES

Making progress become reality

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

FYFR Full-year Financial Report

SEFP Statement on Extra-Financial Performance



2019 UNIVERSAL REGISTRATION DOCUMENT

INCLUDES THE FULL-YEAR FINANCIAL REPORT

The Universal Registration Document
can be consulted and downloaded
from the bouygues.com website



This document is a free translation of the Universal Registration Document filed on 23 March 2020 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.



*"All our business segments
are able to drive growth because
they meet essential and constantly
changing needs."*

Moving forward on firm foundations

The Group's businesses continue to grow, shaped by the four major underlying trends of population growth and urbanisation, climate change, digital and technological transformation and changing user behaviour. Against this backdrop, our aim is to create and share value with and for our stakeholders.

All our business segments are able to drive growth because they meet essential and constantly changing needs for housing, transportation, communication, information and entertainment. The diversity of our businesses, combined with a stable ownership structure and a robust financial situation, mean that we can roll out our strategy over the long term. Our strengths enable us to meet the environmental and societal challenges we face.

As in previous years, 2019 showed that we continue to move forward. The Group improved its results, the construction businesses boosted their performance and TF1 maintained a high audience share among key targets, while Bouygues Telecom's differentiation strategy continued to bear fruit, underpinned by the quality of its mobile and fixed networks. In September 2019, the Group sold 13% of Alstom's capital at a favourable moment. Retaining a 14.7% stake, Bouygues continues to be the largest shareholder of Alstom, a pioneer of sustainable and smart mobility.

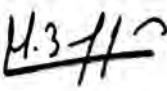
Bouygues was awarded Top Employer France certification for all its activities for the third year in succession, proof of its commitment and the quality of its human resources policy. It also features in four highly selective international socially responsible investment indices.

Among its various commitments, Bouygues has made gender balance a priority. As well as being fair, which is essential, we believe that having a more representative workforce is an effective driver of the Group's performance and helps to accelerate its transformation. Our aim is that the proportion of women with manager status and the proportion of women with staff status in the Group should ultimately be the same.

Lastly, with more and more students experiencing financial insecurity, we have increased the number of Francis Bouygues Foundation grant-holders from 60 to 100. A total of 889 students to date have benefited from the Foundation's grants and from mentoring by employees and former grant-holders, which gives me great satisfaction.

I would like to thank all our employees for their commitment, and our customers and shareholders for their confidence.

20 February 2020



MARTIN BOUYGUES
CHAIRMAN AND CEO



Headcount

130,500



Worldwide presence

92 COUNTRIES



Sales

€37,929 m



Net profit attributable
to the Group

€1,184 m

Data at 31 December 2019



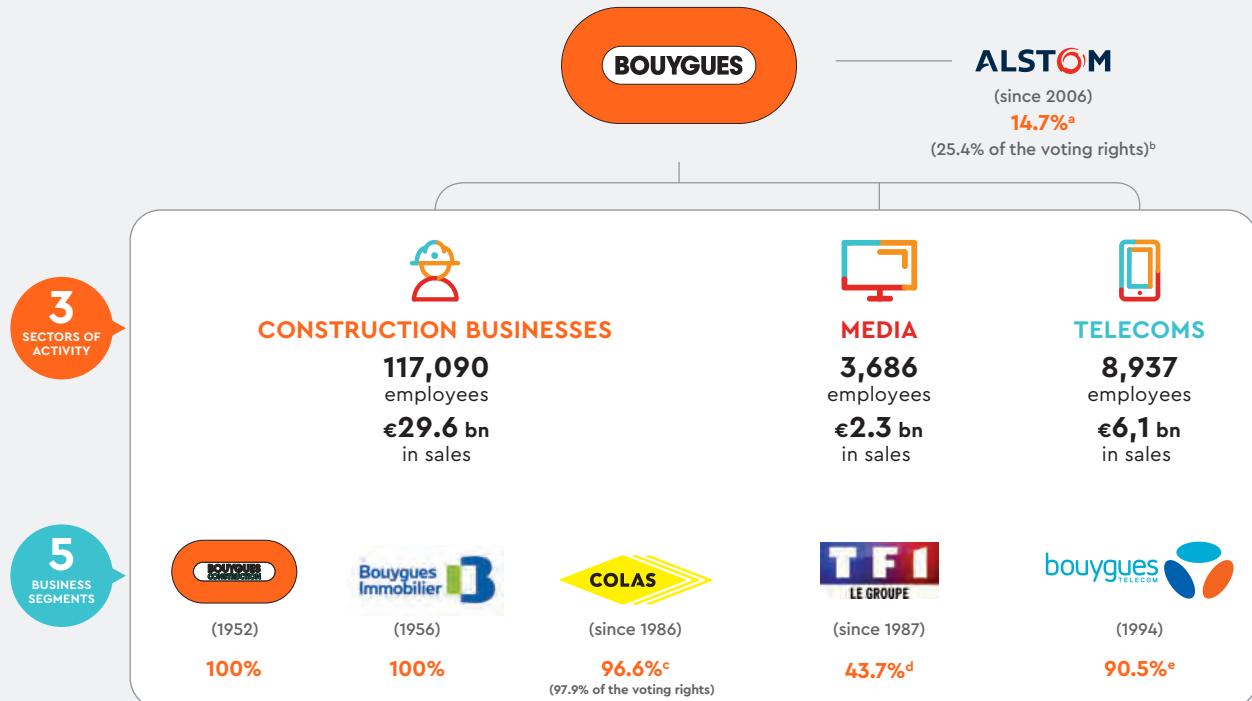
PUBLICATION

Bouygues' Integrated Report will be available from 23 April 2020 on bouygues.com

THE BOUYGUES GROUP

Simplified organisation chart

at 31 December 2019



a Following the sale by Bouygues of a 13% stake in Alstom's share capital in September 2019.

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 and individual shareholders.

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 CHALLENGES

- Population growth and urbanisation
- Climate change
- Digital and technological transformation
- Changing user behaviour



THE FUNDAMENTALS OF OUR CULTURE

- Respect
- Trust
- Imparting expertise
- Creativity



WE PLEDGE TO

- 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 leading roadworks contractor
1987 Bouygues acquires a stake in the television channel TF1, and then becomes its largest shareholder
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 their international footprint by acquiring the activities of Alpiq Engineering Services, a key player in energy, industrial services and railway infrastructure. Colas acquires Canada's Miller McAsphalt group, a specialist in roadworks and bitumen distribution. In the media sector, TF1 boosts its presence in digital media by purchasing Aufeminin and Doctissimo. Bouygues Telecom Entreprises accelerates its expansion into the market of micro-businesses, SMEs and intermediate-sized businesses by acquiring Nerim and becoming the main shareholder in Keyyo
2019 Bouygues sells 13% of Alstom in which it retains a shareholding of 14.7%.

1

THE GROUP

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1.1 PROFILE

1.1.1 Making progress become reality

The Group's vision, mission and aims

It is the Bouygues group's firmly-held belief that meeting essential day-to-day needs with an ethical and responsible attitude helps drive improvement for society as a whole. The Group's mission, spearheaded by its dedicated workforce, is **to make life better every day**. Each and every solution offered to its customers by Bouygues is designed to enhance people's day-to-day lives.

Strategy

The Bouygues group's aim is to create value over the long term and share it with its stakeholders^a. In order to do this, it draws on a stable ownership structure and has defined a strategic framework within which its five business segments (Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom) roll out their operational strategies to fulfil the Bouygues group's mission. Its business segments provide growth over the long term since they all satisfy **constantly evolving and essential needs** such as housing, transportation, communication, information and entertainment. Their diversity helps to cushion the impact of the difficulties that some may experience from time to time.

Through the combination of these features, Bouygues **can generate free cash flow over the long term**. The value created can then be reinvested to grow the Group and shared with its stakeholders.

Bouygues also strives to maintain a **robust financial structure** in order to ensure its independence and preserve its model over time. For example, the Group's construction businesses tie up a small amount of capital and generate a high level of cash.

This strategy is rolled out over the long term **thanks to the stability of Bouygues' ownership structure** (see opposite).

THE BOUYGUES GROUP'S STRENGTHS

- **130,500 dedicated employees**

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

Each business segment aims to stand out from the competition by offering high-added-value solutions and user experiences.

- **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.

The Group's four pledges

The Group has signed up to four major pledges in order to address its main CSR challenges, underpin its long-term growth and support its transformation:

1. Promote each employee's career development

The Group's people are its most important resource. Their dedication is therefore what drives its performance. The Group makes it a priority to encourage them in their careers and to value everyone's contribution, regardless of background, education or profession.

3. Simplify everyday life

All the Group's products and services are designed to make everyday life easier and more enjoyable for users, whether in their homes, neighbourhoods, towns or cities, on the move, communicating, reading the news or watching entertainment. They enable them to save time and money and increase comfort of use.

2. Develop sustainable solutions with and for customers

Tackling environmental issues is an essential requirement for the Group to fulfil its mission. Within a large eco-system linking internal and external partners, not just in France but also abroad, the Bouygues group develops sustainable solutions that aim to support customers in moving towards energy transition, safeguard resources and contribute to the ramp-up of building energy renovation.

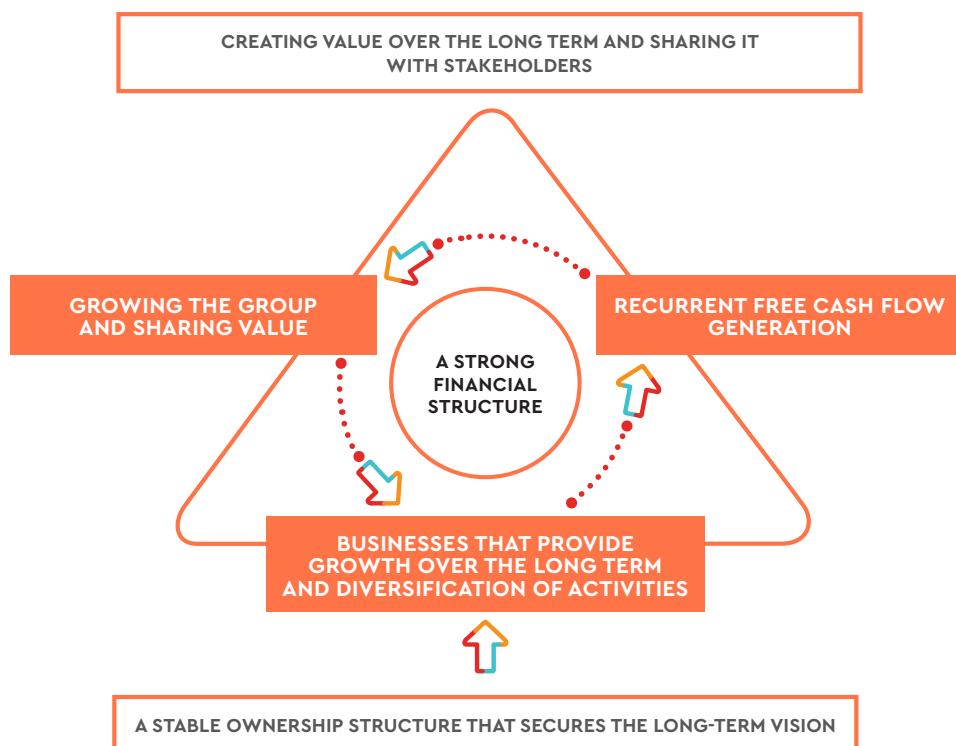
4. Help build harmonious communities

Modern society is becoming more and more collaborative, driven by the development of new technologies. At the local level, people are increasingly wanting closer social ties. Energised by its vision of making life better, Bouygues serves as a key contributor to societal change. It believes that strengthening ties and dialogue helps make life better every day. It designs and makes products and services that boost exchange and bring people closer together.

^a Customers, users, employees, the financial community, suppliers, subcontractors and civil society.

The virtuous circle of the Group's strategy

SEFP The Group's business model

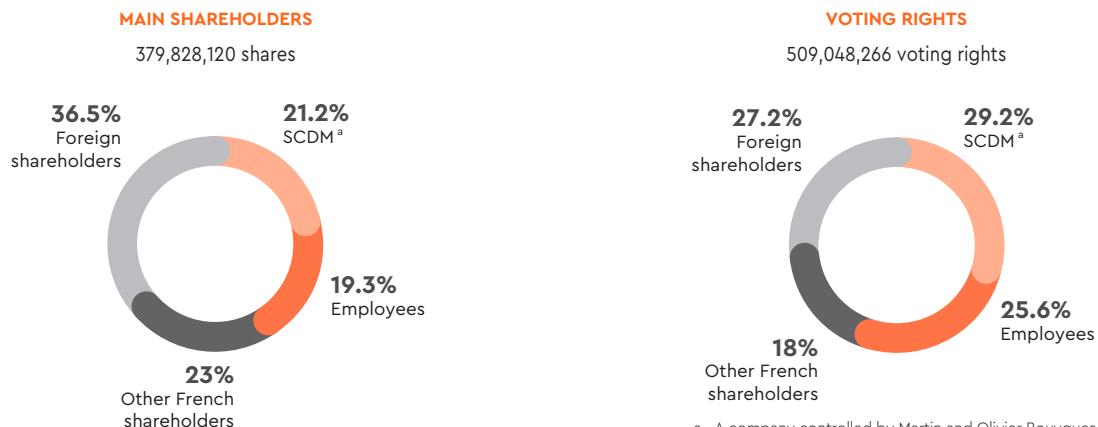


A stable ownership structure for a long-term strategic vision

Bouygues' shareholders are SCDM, a company controlled by Martin and Olivier Bouygues, and its own employees, through several dedicated mutual funds. As at 31 December 2019, 54,400 employees owned shares in the Group, making Bouygues the CAC 40 company with the highest level of employee share ownership. At end-2019, a €150-million capital increase (nominal and share premium) reserved for employees was carried out (called "Bouygues Confiance n°11").

Ownership structure

At 31 December 2019



a A company controlled by Martin and Olivier Bouygues.

a A company controlled by Martin and Olivier Bouygues.



FIND OUT MORE

- Chapter 2 Business activities
- Chapter 3 Statement on extra-financial performance (SEFP)
- Chapter 6 Information on the company
- 2019 Integrated Report (to be published on 23 April 2020)

1.1.2 Organisation and governance

1.1.2.1 The Board of Directors at 31 December 2019

DIRECTORS FROM THE SCDM GROUP^a



MARTIN BOUYGUES
Chairman and CEO



OLIVIER BOUYGUES
Deputy CEO



CHARLOTTE BOUYGUES
Standing representative
of SCDM



WILLIAM BOUYGUES
Standing representative
of SCDM Participations

INDEPENDENT DIRECTORS^b



CLARA GAYMARD
Co-founder
of Raise



ANNE-MARIE IDRAC
Company director



HELMAN LE PAS DE SÉCHEVAL
General Counsel
of the Veolia group



COLETTE LEWINER
Advisor to the Chairman
of Capgemini

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

Helman le Pas de Sécheval (Chairman) ■
Clara Gaymard ■
Anne-Marie Idrac ■
Michèle Vilain ■

Selection and Remuneration Committee

Colette Lewiner (Chairwoman) ■
Francis Castagné ■
Helman le Pas de Sécheval ■

Ethics, CSR and Patronage Committee

Anne-Marie Idrac (Chairwoman) ■
Rose-Marie Van Lerberghe ■
Raphaëlle Deflesselle ■

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

a SCDM is a company controlled by Martin and Olivier Bouygues.
b Directors qualified as independent by the Board of Directors.

DIRECTORS REPRESENTING EMPLOYEES/EMPLOYEE SHAREHOLDERS



FRANCIS CASTAGNÉ
Director representing employees



RAPHAËLLE DEFLESELLÉ
Director representing employee shareholders



MICHELE VILAIN
Director representing employee shareholders



ROSE-MARIE VAN LERBERGHE
Vice-Chairwoman of Klépierre

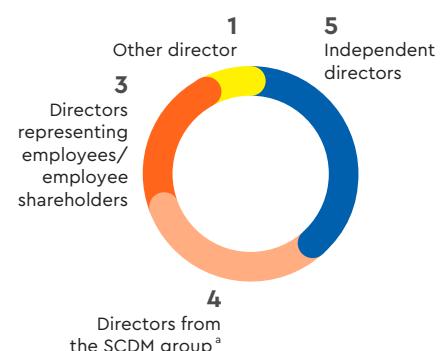


ALEXANDRE DE ROTHSCHILD
Executive Chairman of Rothschild & Co Gestion

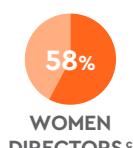
NON-INDEPENDENT EXTERNAL DIRECTOR

KEY FIGURES FOR THE BOARD

at 31 December 2019



55.5
AVERAGE AGE



7
NUMBER OF BOARD MEETINGS



94%
ATTENDANCE RATE AT BOARD MEETINGS

- a SCDM is a company controlled by Martin and Olivier Bouygues.
- b Excluding directors representing employees or employee shareholders.
- c Excluding director representing employees.

1.1.2.2 Senior management team at 31 December 2019

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.



MARTIN BOUYGUES
Chairman and CEO



OLIVIER BOUYGUES
Deputy CEO



OLIVIER ROUSSAT
Deputy CEO



PHILIPPE MARIEN^a
Deputy CEO



Senior management of the business segments

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



PHILIPPE BONNAVE
Chairman and CEO
of Bouygues Construction



PASCAL MINAULT
Chairman
of Bouygues Immobilier



FRÉDÉRIC GARDÈS
CEO
of Colas



GILLES PÉLISSON
Chairman
and CEO of TF1



RICHARD VIEL
CEO
of Bouygues Telecom



^a Philippe Marien resigned from office as Deputy Chief Executive Officer on 19 February 2020.
He remains a member of the Group Management Committee.

 **FIND OUT MORE**
Chapter 5
Corporate governance

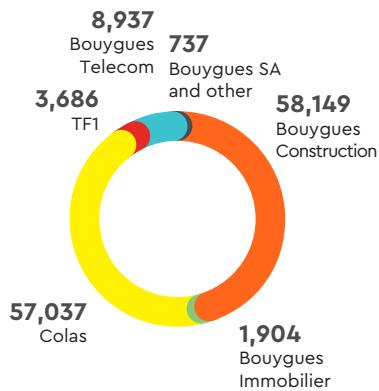
1.1.3 The Group's workforce

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

These fundamentals of its culture, outlined 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 2019

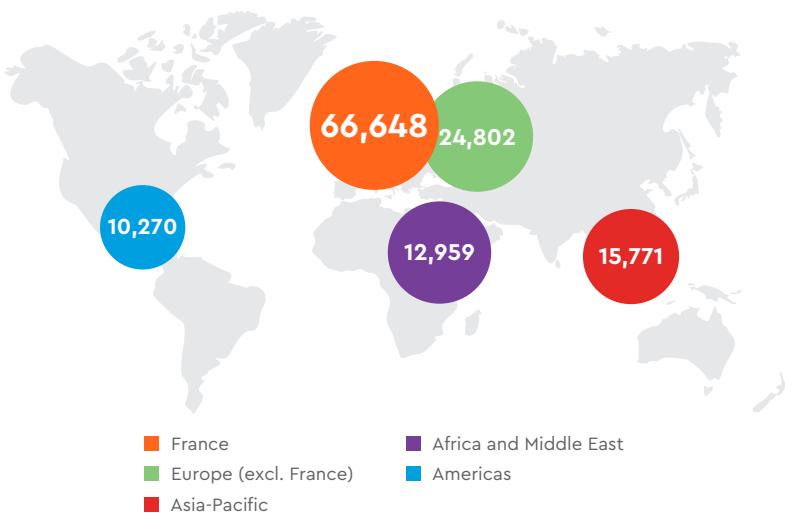
Group headcount by business segment



Job categories



Group headcount by region



BOUYGUES THROUGHOUT THE WORLD

Headcount

130,500

1

Recruitment in 2019

45,000

(+13%)^a

IN FRANCE

Headcount

66,648

(51% of the total)

Average age

41

Average seniority

12 years

Permanent contracts

94%

of employees

Recruitment in 2019

10,600

a Versus 2018.

FIND OUT MORE

- Chapter 3, Statement on extra-financial performance (SEFP)
- bouygues.com, "Talents" page



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 based 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^a satisfaction by creating sustainable solutions.

Diverse business activities that confer unique strength

The diversity of the Group's business segments unlocks synergies when working on cross-disciplinary themes that aim to address a variety of future services. This unique structure is an advantage that bolsters the Group's competitive position.

In this respect, Bouygues believes that the emergence of artificial intelligence will have an impact on the activity of its five business segments. For this reason, it has set up an AI Factory, which will help to roll out the new services on a large scale.

Furthermore, 5G offers an opportunity to leverage the synergies between the Group's business segments. An in-house accelerator, SmartX 5G, groups together all initiatives relating to 5G technology, in order to develop services that will improve quality of life for everyone.

Harnessing the potential of technology

Bouygues has pinpointed four technologies that have an impact on its activities.

- **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 various 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 also be used to represent a whole range of data used in the design and construction of a structure and simulate its behaviour.

- Finally, **blockchain^b** 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.

Building a vibrant eco-system

The Bouygues group has a vast eco-system to help boost its innovation potential. This links internal and external partners, not just in France but also abroad, thanks to the Group's operations in over 90 countries.

- Two technology intelligence units in Asia and North America (Winnovation in San Francisco, Bouygues Asia in Tokyo).
- Partnerships with the best universities worldwide such as MIT^c in the US.
- Active exchanges with many start-ups.
- Investments in promising start-ups via five investment funds set by the Group's business segments.
- Participation in forward-looking and innovative organisations, such as Futura Mobility, which bring together mobility-focused players, and in Impact AI, a combined think and action tank that investigates the ethical and societal issues posed by artificial intelligence and supports positive and innovative projects.

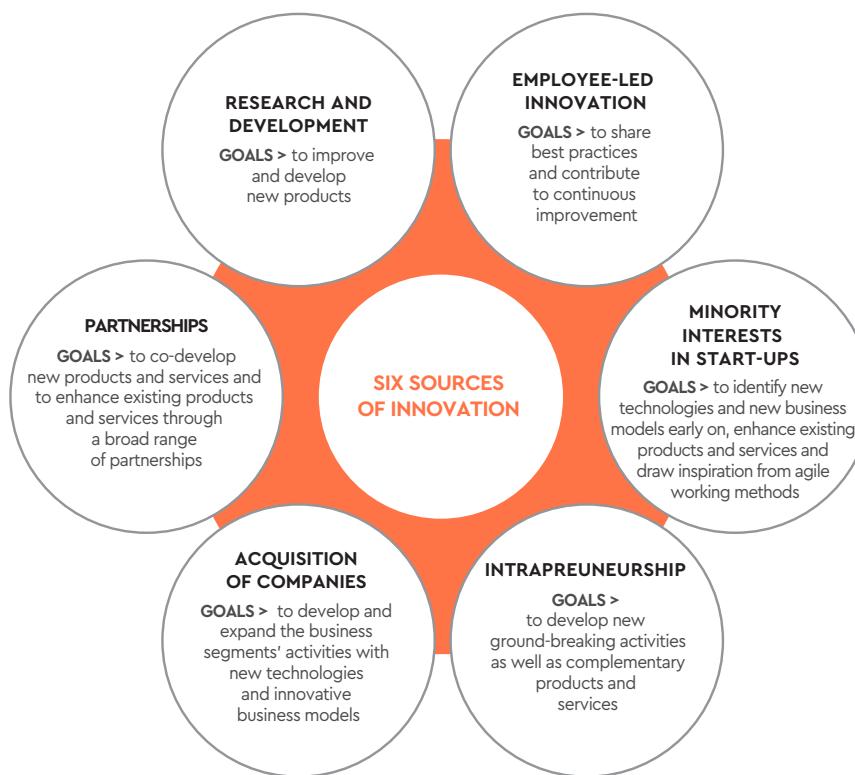
This structure is fertile ground for generating fresh ideas and developing new types of business.

a Customers, users, employees, the financial community, suppliers, subcontractors and civil society, etc.

b A blockchain is a decentralised, distributed and public digital ledger.

c Massachusetts Institute of Technology in Cambridge.

Sources of innovation within the Group



1



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.

The Smart city

Dijon has become the first smart and connected metropolitan authority in France with the help of Bouygues Energies & Services. A solution called OnDijon provides centralised management of the public amenities and all the connected urban infrastructure for the authority's 24 municipalities. It is thus able to:

- modernise and improve the performance of public services;
- stimulate the area's digital economy, and;
- improve its drawing power.

The connected road

Moov'Hub by Colas is a comprehensive and dynamic solution rolled out at the Paris-Saclay campus that turns mobility into a driver of urban development by

- managing car movements and parking;
- optimising urban spaces, and;
- offering a multi-modal service that supports users.

Colas' ANAIS (a French acronym for Acquire, Digitise, Analyse, Inform and Make Safe) solution detects potential danger zones and sends warnings thanks to users who become voluntary contributors to their own road safety. ANAIS is a tool that makes recommendations for remedial work on infrastructure and provides decision-support for preventive management of a road network.

The best Wi-Fi on offer

Bouygues Telecom's new Bbox Fibre modem is packed with the latest available technologies. Thanks to its vertical design, the quality of the Wi-Fi connection is optimised to give speeds similar to those offered by fibre. Another plus is that this modem can be enhanced via the use of new smart Wi-Fi 6 repeaters in order to adapt coverage to the specific features of each home.

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-Aktionnaires, 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.

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

2019 key figures

- Four results releases: Bouygues senior management presented the Group's full-year and half-year results at face-to-face meetings, and first-quarter and third-quarter results via conference calls.

- 670 investors met with management or the Investor Relations team.
- 17 roadshows were held in six countries.
- The Group attended 11 conferences on sector-specific and more broad-based themes.
- Six investor breakfast meetings were held around specific themes such as Smart Cities, the "Grand Paris" major infrastructure programme, 5G, the Internet of Things and Bouygues Telecom Entreprises, Wattway.
- Shareholders were given an exclusive tour of the Eole rail link worksite at Courbevoie, near Paris, and of Green Office® Quartz.
- A presentation for bond investors in Paris.
- A meeting for individual shareholders in Reims.
- 18 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;
- Bouygues "At a Glance" documents since 2002;
- the Group's Integrated Report;
- a downloadable historical data file showing key figures for the Bouygues group over the past ten 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.;
- an interactive intraday Bouygues share price tracker.

This year, Bouygues was given the "**Grand Prix 2019**" award by FAS (the French federation of employee and former employee shareholders associations). The award, the most prestigious of seven given out by the jury, recognises those French companies that contribute actively to the expansion of employee share ownership in France.

In February 2019, Bouygues also received the Top/Com "Grand Prix d'argent" (Publishing category) award for its first integrated report.

Lastly, the Bouygues brand ranks in the 2019 "Annual report on Annual reports" list by Report Watch by e.com. The latter recognises the best annual reports published by 400 companies worldwide.

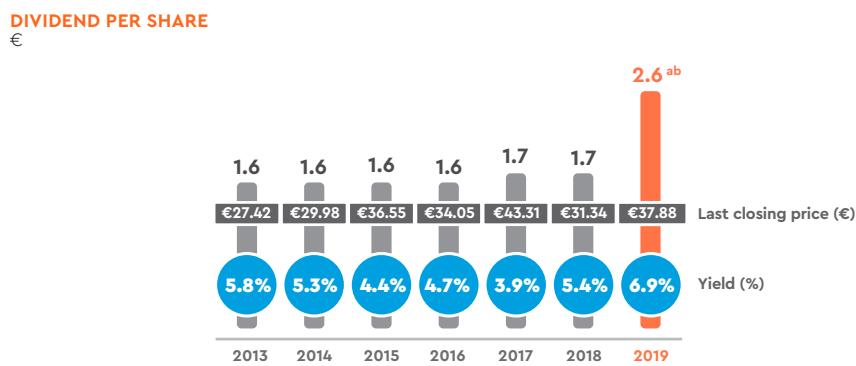


1.2.5 The Bouygues share

Share performance since the end of 2018



Dividend and dividend yield



a To be proposed at the Annual General Meeting on 23 April 2020. Payment of dividend on 7 May 2020.
b Of which €0.90 per share is exceptional.

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 PRICE IN 2019

€33.77

(average closing price -
Source: NYSE Euronext)

AVERAGE DAILY TRADING VOLUME ON EURONEXT

1 million shares

(source: NYSE Euronext)

MARKET CAPITALISATION

€14,388 million

(at 31 December 2019)

STOCK MARKET INDICES

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

SRI INDICES

STOXX Global ESG Leaders,
Euronext Vigeo Eurozone 120 and Europe 120,
FTSE4Good, Carbon Disclosure Project's
Climate Change A List^a

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.

2020 KEY DATES

THURSDAY 23 APRIL

Bouygues Annual General
Meeting at Challenger
(Saint-Quentin-en-Yvelines,
France)

THURSDAY 7 MAY

Dividend payment

THURSDAY 14 MAY

First-quarter
2020 results

THURSDAY 27 AUGUST

First-half
2020 results

THURSDAY 19 NOVEMBER

Nine-month
2020 results

1.3 2019 FINANCIAL YEAR

1.3.1 Key figures

The 2018 financial statements have been restated for the first-time application of IFRS 16 and IFRIC 23.

Financial highlights

In millions of euros unless otherwise indicated	2019	2018 restated	Change
Sales	37,929	35,555	+7% ^a
EBITDA after Leases	3,548	3,140	+€408m
Current operating profit of which: impact of Axione	1,676	1,564 106	+€112m -€106m
Current operating margin excluding Axione	4.4%	4.1%	+0.3 pts
Operating profit ^b	1,696	1,829	-€133m
Net profit attributable to the Group	1,184	1,308	-€124m
Earnings per share (€) ^c	3.18	3.56	-11%
Net cash flow	3,332	2,709	+€623m
Net capital expenditure	1,602	1,573	+€29m
Free cash flow	1,379	826	+€553m
Free cash flow after WCR excluding dividends from Alstom ^d	815	405	+€410m
Shareholders' equity (end of period)	11,800	11,032	+€768m
Net surplus cash/(net debt) (end of period)	(2,222)	(3,612)	+€1,390m
Gearing ratio (net debt/shareholders' equity)	19%	33%	-14 pts
Net dividend per share (€)	2.60 ^e	1.70	+0.90
Headcount (number of employees)	130,500	129,275	+1,225

a Up 5% like-for-like and at constant exchange rates.

b For 2018, includes €265m of net non-current income, comprising: net income of €322m at Bouygues Telecom (€110m for the reversal of the accrued expense previously recognised for 1800 MHz frequency licence fees and €250m for the gain on the disposal of mobile sites and Fibre-To-The-Home (FTTH) infrastructure, net of non-current charges of €47m relating to network sharing); net expense of €31m at Colas (related mainly to works for the dismantling of the Dunkirk site and the year-end employee bonus); and net expense of €22m at TF1 (amortisation charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation). For 2019, includes €20m of net non-current income, comprising: net income of €70m at Bouygues Telecom (mainly gains on disposals of sites); net expense of €28m at Colas (related mainly to the continued dismantling of the Dunkirk site and adaptation costs at structures); and net expense of €23m at Bouygues Construction (restructuring costs).

c Basic earnings per share from continuing operations attributable to the Group (in euros).

d €341m in 2019, versus €22m in 2018.

e Of which €0.90 is exceptional. To be submitted for approval at the AGM on 23 April 2020, for payment on 7 May 2020.

Sales

Sales generated by the **Bouygues group** reached €37.9 billion in 2019, 7% higher than in 2018, or 5% higher on a like-for-like basis and at constant exchange rates.

The **construction businesses** reported sales of €29.6 billion, up 6% versus 2018. On a like-for-like basis and at constant exchange rates, sales rose by 4%.

Bouygues Construction reported sales of €13.4 billion, split between Building and Civil Works (72%) and Energies & Services (28%), up 8% versus 2018 (or 2% on a like-for-like basis and at constant exchange rates). Sales at **Bouygues Immobilier** reached €2.7 billion, up 3% year-on-year, reflecting strong growth in commercial property.

Colas posted sales of €13.7 billion, a rise of 4%, driven by growth in the Roads business in mainland France and by the Rail business. On a like-for-like basis and at constant exchange rates, Colas sales were 5% higher than in 2018.

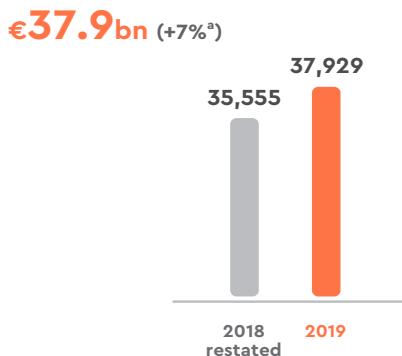
TF1 generated sales of €2.3 billion, up 2% versus 2018, driven by acquisitions; on a like-for-like basis and at constant exchange rates, sales were stable year-on-year.

Bouygues Telecom reported net sales of €6.1 billion, up 13% year-on-year (or up 12% on a like-for-like basis and at constant exchange rates). Sales from services rose by 8% to €4.6 billion, boosted mainly by an increase in the mobile and fixed line customer base.

1

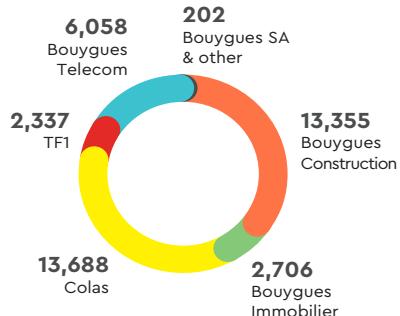
SALES

€m



a Up 5% like-for-like and at constant exchange rates.

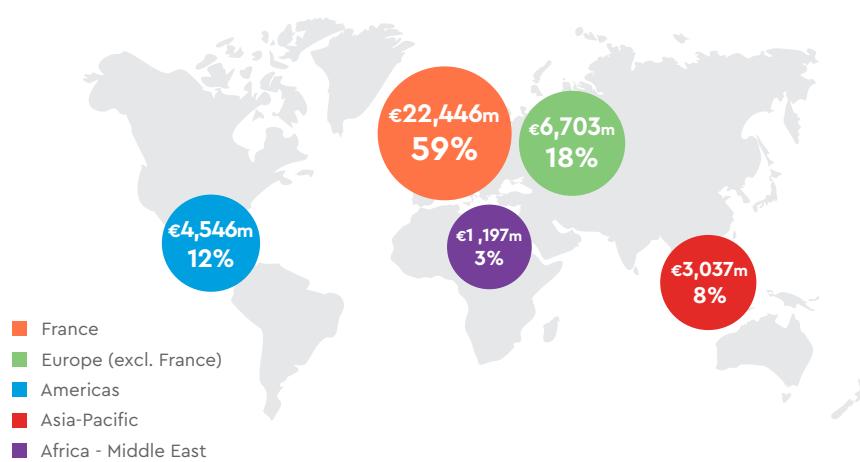
By business segment^b



b Impact of intragroup eliminations: -€417m.

Group sales by region

€37,929M



Current operating profit

The Bouygues group achieved its annual target. Current operating profit reached €1,676 million, up €112 million year-on-year. Excluding the impact of Axione^a, the increase was €218 million, and current operating margin was 0.3 points higher at 4.4% in 2019.

Current operating profit for the construction businesses was €910 million, down €31 million year-on-year. Excluding Axione, there was a year-on-year increase of €75 million. Current operating margin excluding Axione was 3.1% in 2019, a slight improvement on the 3.0% recorded in 2018.

There was a significant turnaround in current operating margin at the Energies and Services arm of Bouygues Construction to 2.1% (versus a negative margin of 0.4% in 2018). Colas posted current operating margin of 3.2%, up 0.4 points year-on-year, helped by a good performance by Roads (Mainland France) and a return to breakeven at Colas Rail. Finally, commercial property deals signed by Bouygues Immobilier in the fourth quarter made a significant contribution, pushing current operating margin up from 2.6% over the first nine months of 2019 to 5.2% in the fourth quarter of the year.

TF1 made a current operating profit of €255 million, an increase of €56 million year-on-year. Current operating margin was 2.2 points higher at 10.9%, meaning that TF1 achieved its 2019 objective of double-digit current operating margin.

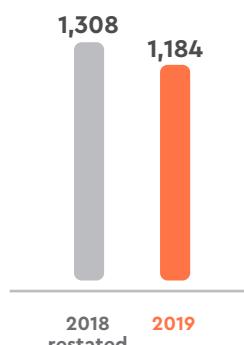
Bouygues Telecom reported EBITDA after Leases of €1,411 million in 2019, a year-on-year rise of €147 million. EBITDA margin after leases (relative to sales from services) was 30.7%, a year-on-year improvement of 1 point. Bouygues Telecom reported a current operating profit of €540 million, up €86 million.

Net profit attributable to the Group

€1,184M (-9%)

Net profit attributable to the Group amounted to €1,184 million in 2019 versus €1,308 million in 2018, a decrease of €124 million. This reflects a €133 million year-on-year decrease in operating profit to €1,696 million, which in 2019 included only €20 million of net non-current income versus €265 million in the previous year (mainly at Bouygues Telecom).

Net profit attributable to the Group



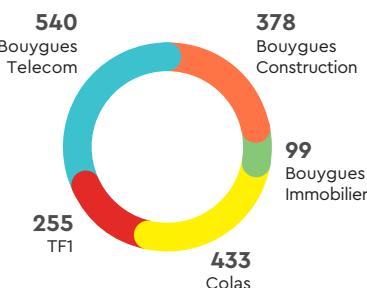
CURRENT OPERATING PROFIT

€m

€1,676m (+7%)



By business segment^a

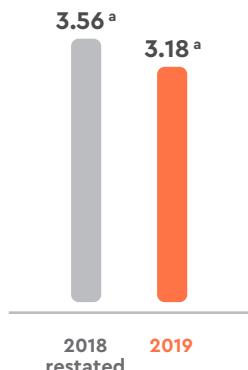


a "Bouygues SA & other" reported a current operating loss of €29m.

^a The 2018 figure includes a capital gain of €106m on the partial divestment of Axione in 2018 and on the remeasurement of the retained equity interest.

Earnings per share

€3.18^a (-11%)



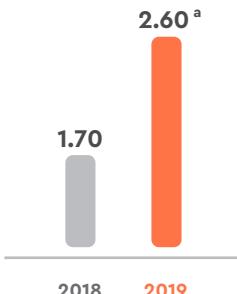
^a Earnings per share from continuing operations attributable to the Group (in euros).

Dividend per share

€2.60

The Bouygues group's Board of Directors will ask the Annual General Meeting of 23 April 2020 to approve a dividend of €2.60 per share, of which €0.90 is exceptional.

That represents a yield of 6.9% (dividend per share for the 2019 financial year as a percentage of the last quoted price in 2019).



^a Of which €0.90 is exceptional.

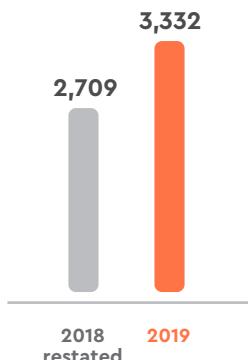
1

Net cash flow

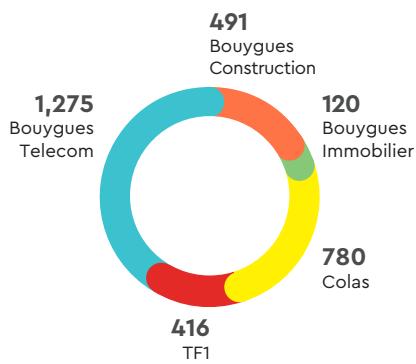
€m

€3,332M (+23%)

Net cash flow was €623 million higher year-on-year, reflecting positive operating performances across all three sectors of activity and the increase in dividends from Alstom.



By business segment^a



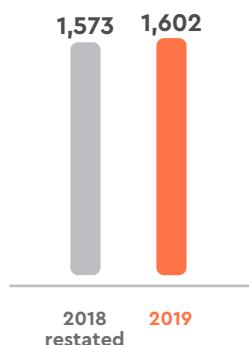
^a "Bouygues SA & other" reported cash flow of €250m (includes €341 million of dividends received from Alstom).

Net capital expenditure

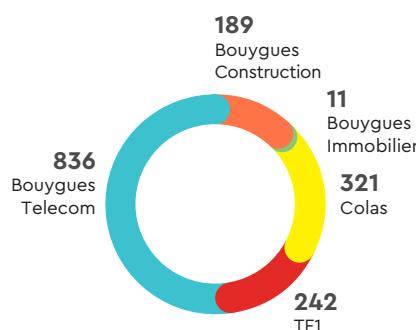
€m

€1,602M (+2%)

Net capital expenditure was virtually unchanged year-on-year, rising by just €29 million.



Contribution by business segment ^a



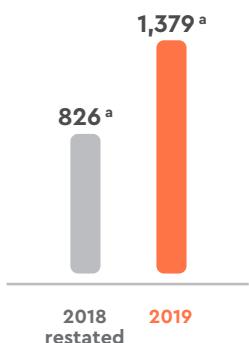
^a "Bouygues SA & other" reported net capital expenditure of €3m.

Free cash flow

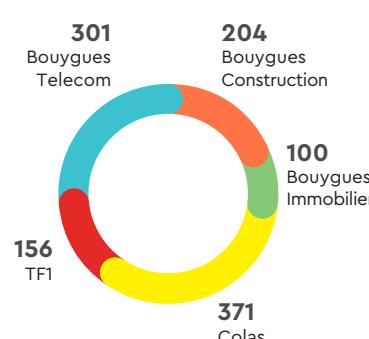
€m

€1,379M (+67%)

Free cash flow was up €553 million to €1,379 million. After stripping out the dividends received from Alstom (€341 million in 2019 versus €22 million in 2018), free cash flow rose by €234 million to €1,038 million. A key driver was a €109 million increase in free cash flow at Bouygues Telecom, which achieved its target of €300 million in 2019.



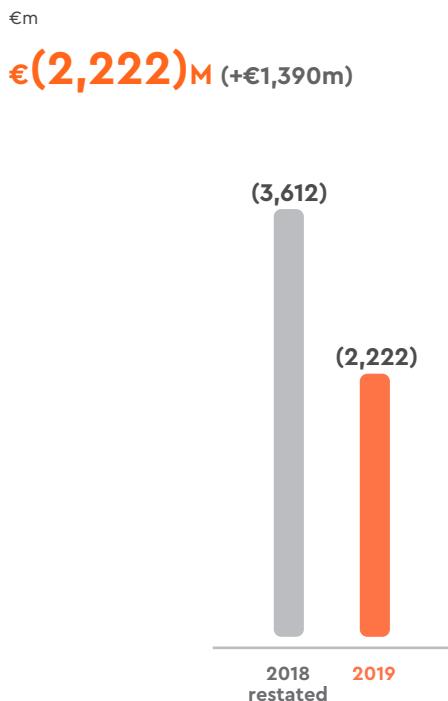
Contribution by business segment ^a



^a Includes dividends received from Alstom: €22m in 2018 and €341m in 2019

^a "Bouygues SA & other" reported free cash flow of €247m.

Net surplus cash/(Net debt)



Net debt stood at €2,222 million as of December 31, 2019 versus €3,612 million a year earlier.

Impacts related to Alstom (dividends received and the divestment by Bouygues of a 13% equity interest) had a positive impact of €1.4 billion.

Bouygues paid out dividends of €710 million in 2019.

On 12 July 2019 Standard and Poor's raised its credit rating for Bouygues from BBB+ with positive outlook to A- with stable outlook. Moody's maintained its A3 rating with stable outlook.

The Group has excellent liquidity (€11.6 billion at 31 December 2019, comprising €3.3 billion of cash and cash equivalents and €8.3 billion of undrawn credit facilities), and a very well-spread maturity profile.

1

Outlook

On 20 February 2020, the Group announced that in long-term growth markets, the **construction businesses** will strengthen their portfolio of low-carbon solutions to maintain their leadership in sustainable construction, and benefit from their actions to improve profitability:

- Current operating margin for the construction businesses expected to improve in 2020 versus 2019.

TF1 will continue to improve its profitability:

- Double-digit current operating margin in 2020 and cost of programmes at €985 million in 2020.
- On 23 March 2020, in a press release, TF1 suspended its guidance until the situation in relation to the Covid-19 epidemic becomes clearer.

Bouygues Telecom will continue to grow by leveraging its differentiation strategy (quality of networks and customer experience, as well as brand appeal).

For 2020, it is aiming for:

- Growth in sales from services at around 5%.
- Free cash flow of over €300 million, with increasing capital expenditure (expected gross capex of €1.1 billion to €1.2 billion, excluding frequencies) required to expand 4G mobile capacity and start rolling out 5G.

In 2020, the **Bouygues group** will continue to pursue its sustainable growth strategy:

- Generating free cash flow after WCR^a of €1 billion thanks to the contributions of all three sectors of activity.
- Reducing its greenhouse gas emissions by 2030. A target compatible with the Paris Agreement (to limit the rise in global temperatures to 1.5°C) will be defined, and the Group's five business segments will draw up an action plan in 2020.

This outlook will be affected by the impact of the Covid-19 epidemic on the Group's business segments. This impact, which cannot be quantified as this document goes to press, will depend on many different factors, particularly, for all our business segments, the scope and duration of the epidemic, the prevention and support measures adopted by the governments concerned and whether employees are eligible for short-time working. More specifically, for our construction businesses, the impact of Covid-19 will depend on how long worksites stay shut, as well as on the availability of project owners, contractors, suppliers, service-providers and subcontractors. For our media activities (whose contribution to Group sales is limited), as announced by TF1 on 23 March 2020, the main impact will be on advertising sales.

Due to the uncertainty affecting the construction and media activities, the Group is suspending its guidance, as well as that of its business segments, until the situation becomes clearer.

^a 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 after changes in working capital requirements related to operating activities, and excludes investments in 5G frequency spectrum.

1.4 MAIN EVENTS SINCE 1 JANUARY 2020

1.4.1 The Bouygues group

On 5 February 2020, for the third year in a row, **Bouygues** was awarded Top Employer 2020 certification for all its business segments. The certification recognises the quality of the Group's human resources policy, particularly its strong culture of imparting expertise as well as the rich and varied career paths and experiences it offers employees.

At the beginning of January 2020, the Chinese authorities and WHO announced they had discovered a novel coronavirus (SARS-CoV-2). This virus is spreading actively in several countries, including France, and a number of restrictive measures have been taken, particularly in France and Belgium. Whilst ensuring that business continues where possible, the Group is prioritising the health of its employees and is making sure that these restrictive measures are complied with. The Covid-19 epidemic will have an impact on the Group's activities and the outlook for 2020 that we cannot quantify at the present moment in this Universal Registration Document.

1.4.2 Construction businesses

On 9 January 2020, **Bouygues Immobilier** signed a partnership agreement with Spacemaker. This Oslo-based Norwegian start-up is launching its artificial intelligence-based technology, designed to maximize the potential of a building site, in the French market. By analysing physical data from a site, as well as regulations and environmental factors, this decision-support tool can optimise the building potential of land and facilitate interaction between developers, architects, consultancy firms and local authorities.

On 15 January 2020, **Colas**, via its US subsidiary Reeves Construction Company, acquired the assets of Granite Contracting LLC, an asphalt mix producer and road works specialist that operates in North and South Carolina. Granite Contracting LLC has three asphalt mixing plants producing around 400,000 tonnes per year as well as 70 pieces of plant. It employs 115 people and generates annual sales of around USD50 million.

On 29 January 2020, **Bouygues Construction** officially launched its new TopSite label, to be awarded to worksites that qualify as exemplary in the countries where it operates (see Chapter 3 SEFP). To date, it is the first such worksite label that covers all CSR-related issues (health & safety, environment, HR and societal issues, quality and customer satisfaction). This exclusive label within the industry recognises operations that are exemplary in terms of corporate social responsibility (CSR).

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. A number of hardware and software systems were put back into service very quickly. As these were being restored, the security of the entire IT system was strengthened with help from experts both within and outside the Group. There was a very low impact on the operational and commercial activity of worksites. The relevant insurance policies were activated and a complaint has been filed with the competent authorities.

a A BAV survey carried out on 1,200 brands with a panel 12,000 people taken from a cross-section of the French population (May to July 2019 - Kantar).

b Fibre-To-The-Access.

c Fibre-To-The-Office.

1.4.3 Media

On 13 January 2020, **TF1**, French cinema's partner of choice, announced that it would be supporting the 23rd edition of L'Alpe d'Huez international comedy film festival in the French Alps (14-19 January). Ten French films were selected by the festival which each year recognises the best comedies.

On 23 January 2020, **TF1** came first, among French brands, in the Top 50/BAV 2019^a ranking of brands that are the most powerful and most connected to their audience in France. Via its main TV channel TF1, the media group has proven its ability to create events, attract large audiences to its broadcasts and maintain a special and personal relationship with its viewing public.

1.4.4 Telecoms

On 14 January 2020, **Bouygues Telecom** launched its new Bbox Fibre Wi-Fi 6 modem, aimed exclusively at its Fibre customers. It has been specifically designed to provide powerful Wi-Fi and therefore cover the entire home with speeds similar to those offered by Fibre. Available with the Bbox Ultym Fibre offer, this modem is packed with the latest technologies available on the market.

On 24 January 2020, **Bouygues Telecom** unveiled its new corporate slogan "We are made to be together", in order to promote its new mission of being the operator that brings people closer together. It is a slogan that simultaneously expresses Bouygues Telecom's vision of society and technology, the core values of the brand and its corporate strategy. It was launched on 26 January backed by a major nationwide advertising campaign, on TV, cinema, billboards and in the press, designed by the BETC agency.

On 4 February 2020, **Bouygues Telecom** signed a partnership with Amazon Prime Video according to which the Prime Video app is now included in its Android boxes. The Amazon Prime Video service, included in the Amazon Prime subscription for €5.99 per month, is available to all Bouygues Telecom customers who have a Bbox Miami or Bbox 4K.

In February 2020, **Bouygues Telecom** and Cellnex announced they had signed an agreement to create a joint-venture to roll out and market a nationwide infrastructure of optical fibre (FTTA^b and FTTO^c) and to manage its operation. Bouygues Telecom will be the minority shareholder (49%) in this JV, with which it will sign a long-term service agreement. The project, worth a total of €1 billion over seven years, will enable Bouygues Telecom to cope with the growth in data usage on its networks and boost its footprint on the fixed BtoB and Wholesale markets. This agreement is subject to approval by the competent authorities.

1.4.5 Alstom

On 8 January 2020, **Alstom** signed a €755-million contract for the refurbishment and maintenance of the 56 Pendolino Avanti trains of the West Coast mainline. This is the biggest train upgrade programme ever undertaken in the UK and will result in the creation of 100 jobs.

On 5 February 2020, **Alstom** announced the signing of the first contract for battery-electrical regional trains in Germany. Alstom is to build, deliver and maintain until 2032 eleven battery-electrical Coradia Continental

trains for the Leipzig-Chemnitz line in Germany. The contract is worth around €100 million.

On 17 February 2020, **Alstom** announced the signature of a memorandum of understanding with Bombardier Inc. and Caisse de dépôt et placement du Québec to acquire Bombardier Transportation. Bouygues has expressed its support for the deal and has committed to:

- maintain its stake in Alstom until the Extraordinary general meeting related to the transaction or, at the latest, until 31 October 2020;
- vote in favour of all related resolutions at that Extraordinary general meeting to be held no later than 31 October 2020.

2

BUSINESS ACTIVITIES

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The consolidated financial statements at 31 December 2019 are presented in comparison with the financial statements at 31 December 2018, which have been restated to take account of the application of IFRS 16 and IFRIC 23 on 1 January 2019. The impacts on 2019 results are shown in Chapter 7, in the consolidated 2019 financial statements (Note 24).

2.1 CONSTRUCTION BUSINESSES

2.1.1 Profile

As a property developer, builder and operator, Bouygues is active worldwide in building and civil works, energy and services, property development, and transport infrastructure. It is present in over 90 countries and draws on the expertise and dedication of its workforce of over 117,000.

Population growth, urbanisation and new environmental imperatives are generating significant needs worldwide in terms of complex buildings and infrastructure (construction and renovation). Furthermore, digital and technological transformation is bringing about change in the way people use technology and what they expect from it.

In response to this, the Group provides full-service, innovative and high value-added solutions. Its positioning and many strengths mean that it continues to be a key partner for its customers.

Growth strategies and opportunities

- **Lead the market for the construction and renovation of buildings and infrastructure:** Bouygues builds, optimises and maintains a wide range of infrastructure designed to meet the needs arising from urbanisation and population growth. This includes buildings of all sizes and uses, transport infrastructure, and power and telecommunications networks. Furthermore, in order to cope with ageing infrastructure, the Group has developed expertise in renovating assets, even whilst they remain in operation.
- **Help customers to be more energy-efficient and decarbonise construction methods:** the Group works to optimise the energy

efficiency of structures throughout their entire lifecycle. It offers customers the option of bioclimatic design, bio-sourced materials and embedded technologies that generate renewable energy from solar, wind or other sources, thus enabling them to reduce charges and even generate income.

- **Lead the market for urban design and development - from the individual housing unit, to the neighbourhood and smart city:** The Group consults customers and local people, and works hand in hand with local stakeholders to develop projects that promote:
 - well-being;
 - harmonious living (soft mobility, services, etc.), and;
 - the safeguarding of the environment via measures such as protecting biodiversity, recycling waste and preserving water.
- **Offer customers an enhanced, personalised experience and scalable products that can adapt to changing needs:** the Group's strategy is to develop a range of personalised products and services that better meet customers' expectations, such as connected buildings, modular and reversible housing units that evolve in line with occupants' needs, as well as collaborative and shared workspaces (Wojo).
- **Adopt a comprehensive circular economy strategy:** aware of how important it is to safeguard natural resources and the increasing difficulty of accessing primary deposits, the Group is implementing a circular-economy strategy as a way of securing supply and protecting the environment. This initiative aims to cut construction costs and save on materials, transportation and fossil fuel energy.

STRENGTHS

- | | |
|---|---|
| <ul style="list-style-type: none"> ● Over 117,000 talented and dedicated employees ● High value-added products and services <ul style="list-style-type: none"> ■ Globally acknowledged expertise based on strong brands ■ Extensive experience in the construction of complex buildings and infrastructure such as tower blocks, tunnels in urban settings and bridges ■ A key sustainable construction player: eco-neighbourhoods, renovation and low-carbon buildings, soft mobility, etc. | <ul style="list-style-type: none"> ● Spanning the entire value chain <ul style="list-style-type: none"> ■ Skilled in incorporating the best internal and external expertise, making it possible to offer full-service solutions to customers ■ Ability to manage an eco-system of partners of all shapes and sizes (companies, start-ups, etc.) ● A selective long-term presence worldwide ● A proven business model <ul style="list-style-type: none"> ■ A strong ability to adapt given that most of the cost structure is variable ■ A high level of cash and steady free cash flow generation |
|---|---|

2019 CONSOLIDATED KEY FIGURES

At 31 December

Headcount

117,090

Sales

€29.6bn
(+6%)

Current operating profit

€910m (-3%)
(+9% excluding Axione^{a)})

Current operating margin

3.1% (-0.3 points)
(+0.1 points excluding Axione^{a)})

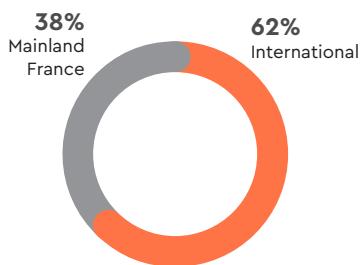
Backlog

€33bn
(stable; -1% at constant exchange rates and excluding main disposals and acquisitions)

a Excluding a capital gain of €106 million related to the partial divestment of shares and remeasurement of the residual interest in Axione in 2018.

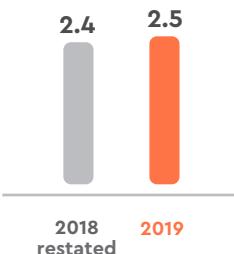
Backlog (Bouygues Construction and Colas)

At end-December 2019



Net cash of the construction businesses

€ billion, end-December

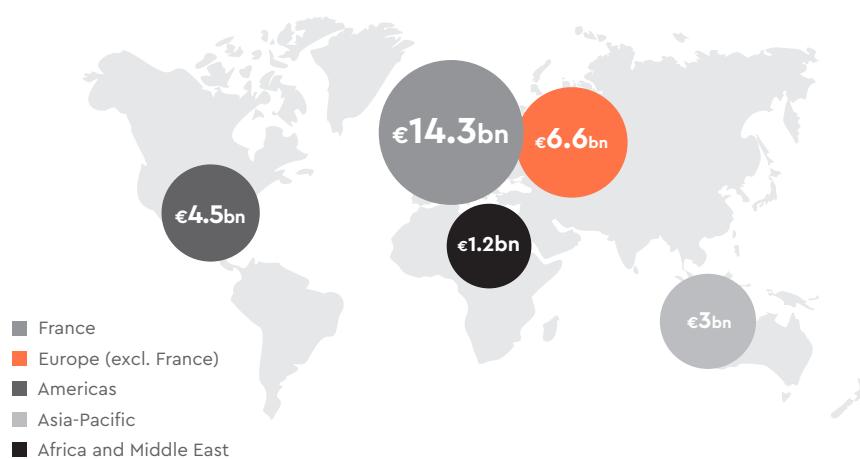


Construction businesses

Geographical sales split

At end-December 2019

€29.6bn



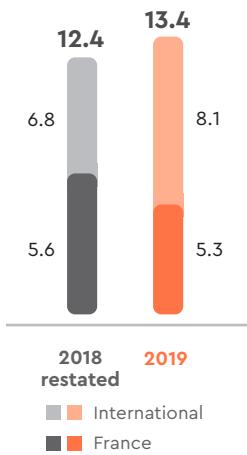
2.1.2 Bouygues Construction: shared innovation

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

Key figures

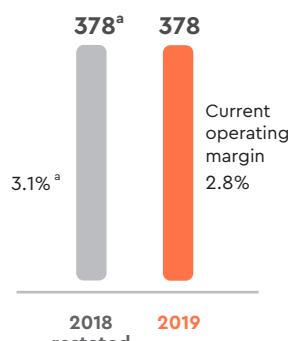
Sales

€ billion



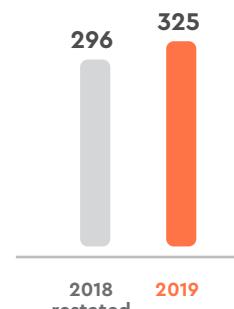
Current operating profit

€ million



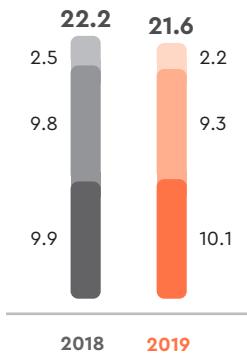
Net profit attributable to the Group

€ million



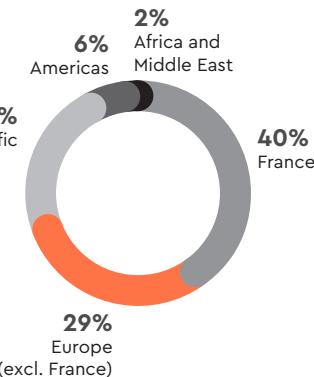
Backlog

€ billion, end-December



Backlog by region

At end-December 2019



- For execution in over 5 years
- For execution in between 2 and 5 years
- For execution in less than 1 year

^a Includes a capital gain of €106 million related to the partial divestment of Axione and the remeasurement of the residual interest in Axione in 2018. Restated for this, the current operating margin is 2.2%.

Condensed balance sheet

Assets

	2019	2018 restated ^a
at 31 December, € million		
Property, plant and equipment and intangible assets	762	742
Right of use of leased assets	262	249
Goodwill	1,157	1,044
Non-current financial assets and taxes	397	433
Non-current assets	2,578	2,468
Current assets	4,789	4,734
Cash and cash equivalents	4,629	4,652
Financial instruments - Hedging of debt		
Current assets	9,418	9,386
Held-for-sale assets and operations		
TOTAL ASSETS	11,996	11,854

Liabilities and shareholders' equity

	2019	2018 restated ^a
at 31 December, € million		
Shareholders' equity attributable to the Group	966	894
Non-controlling interests	6	4
Shareholders' equity	972	898
Non-current debt	1,082	1,028
Non-current lease obligations	216	222
Non-current provisions	857	811
Other non-current liabilities and taxes	18	21
Non-current liabilities	2,173	2,082
Current debt	9	11
Current lease obligations	97	77
Current liabilities	8,320	8,292
Overdrafts and short-term bank borrowings	425	495
Financial instruments - Hedging of debt		1
Current liabilities	8,851	8,874
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,996	11,854
NET DEBT (-)/NET SURPLUS CASH (+)	3,113	3,119

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

Condensed income statement

€ million	2019	2018 restated ^a
Sales	13,355	12,358
Net depreciation and amortisation expense	(184)	(189)
Net amortisation expense on right of use of leased assets	(96)	(87)
Net charges to provisions and impairment losses	(271)	(214)
Other income and expenses	(12,426)	(11,490)
Current operating profit	378	378
Other operating income and expenses	(23)	(4)
Operating profit	355	374
Cost of net debt/income from net surplus cash	20	17
Interest expense on lease obligations	(11)	(11)
Other financial income and expenses	11	39
Income tax expense	(128)	(109)
Share of net profits/losses of joint-ventures and associates	79	(2)
NET PROFIT	326	308
Net profit attributable to non-controlling interests	1	12
NET PROFIT ATTRIBUTABLE TO THE GROUP	325	296

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

HEADCOUNT

At 31 December 2019

—
58,149

HIGHLIGHTS

MAJOR CONTRACT GAINS

- Two road tunnels in the Kowloon peninsula in Hong Kong
- Issy Cœur de Ville eco-neighbourhood in Issy-les-Moulineaux (Paris region)
- New student halls of residence for the University of Brighton in the UK
- Extension of Port-la-Nouvelle harbour (France's Mediterranean coast)

PROJECTS UNDER CONSTRUCTION

- Grand Paris rapid transport link, line 15, packages T2A and T3A
- Monaco offshore extension project
- Melbourne metro, NorthConnex and WestConnex tunnels in Sydney (Australia)
- Hinkley Point EPR power plant (UK)
- Tuen Mun-Chek Lap Kok tunnel (Hong Kong)

PROJECTS HANDED OVER

- Liantang tunnel in Hong-Kong
- The Ocean Cay project in the Bahamas
- New confinement shelter over the damaged reactor at Chernobyl (Ukraine)
- 17^e Ciel property development in Paris
- Sewage tunnels in Doha (Qatar)

2

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 communities.

Growth strategies 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;
- **to develop exceptional projects with local partners**, and;
- **to refocus its activities towards industry and energy and services**.

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 the design and operation of smart cities;
- 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 areas 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:

- 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.

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 employees in over 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;
- **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 et Colas, is placed **sixth in the 2019 ENR ranking of international contractors**, based on the share of sales generated on international markets in 2018.
- **In Europe**: based on the 2018 ranking published by trade magazine *Le Moniteur* in December 2019, the Bouygues group's construction arm (Bouygues Construction, Bouygues Immobilier, Colas) is the **third largest in Europe** after Vinci's Contracting and Property Development division and Spanish firm ACS but ahead of the French contractor Eiffage and Sweden's Skanska.
- **In France**: according to this same ranking^b, in a market worth over €250 billion according to a Euroconstruct estimate in December 2019, Bouygues Construction (its building and civil works activities alone) is **one of the top three contractors** ahead of Eiffage but behind Vinci.

2.1.2.2 Business activity in 2019

A good level of order intake

Order intake in 2019 reached €12.3 billion, €2.2 billion less than in 2018, a record year. The decline mainly reflects a decision to be more selective in commercial operations, especially in France, and a smaller number of major projects. Order intake in 2019 included 10 contracts worth over €100 million, six of them on international markets.

a A building which, in operation, produces more energy than it consumes.
b 2018 ranking published by *Le Moniteur* magazine in December 2019.

Like-for-like and at constant exchange rates, order intake was down 14% (down 5% in France and down 19% on international markets).

In France, order intake amounted to €5.1 billion, 13% less than in 2018 (down 5% excluding Axione). Orders included the Issy Cœur de Ville eco-neighbourhood project in Issy-les-Moulineaux with a buildable surface area in excess of 100,000 m², roll-out of a Fibre-To-The-Home (FTTH) network in Brittany, extension of Port-la-Nouvelle harbour on France's Mediterranean coast, and construction of a new wholesale food market (MIN) in Nice.

Order intake on international markets came to €7.2 billion, 17% less than in 2018. Orders included two road-tunnel projects in Hong Kong, a student halls of residence for the University of Brighton in the UK, a new Town Hall for the London borough of Tower Hamlets, an officer tower in Bangkok, Thailand, and a data centre for Airtrunk in Australia.

Backlog provides long-term visibility

The backlog at end-2019 stood at a high €21.6 billion, down 3% on end-December 2018 (down 4% like-for-like and at constant exchange rates), with international markets accounting for 60%. Europe and Asia-Pacific are the two most important international regions. Orders booked at end-2019 to be executed in 2020 amounted to €10.1 billion (€11.5 billion to be executed after 2020), giving good visibility for future activity.

Sales driven by international markets

Sales in 2019 amounted to €13.4 billion, with building and civil works accounting for 72% and energies and services for 28%. They were up 8% year-on-year (up 2% like-for-like and at constant exchange rates).

Sales in France were down 5% versus 2018 to €5.3 billion, equating to 40% of total sales.

Sales on international markets reached a record €8.1 billion, up 19% versus 2018. This was partly due to:

- the acquisition in mid-2018 of Alpiq InTec in Switzerland (now Bouygues Energies & Services InTec), Kraftanlagen München in Germany and AW Edwards in Australia as well as;
- the full-year effect of these integrations.

Like-for-like and at constant exchange rates, international sales increased by 3%.

Improved operating performances ^a

Current operating profit was stable versus 2018 at €378 million but rose sharply restated for the capital gain of €106 million on the partial divestment of shares and remeasurement of the residual interest in Axione in 2018. The current operating margin was 2.8%, 0.3 points lower than in 2018, but up 0.6 points restated for the capital gain on the partial divestment of Axione. There was a significant turnaround in the Energies & Services arm (see below), where the current operating margin rose from -0.4% to 2.1% due to the completion of troublesome projects in Ireland and the UK and improved profitability in the core business, especially at Bouygues Energies & Services in France. The current operating margin in the building and civil works

activity was 3.1%, close to the benchmark level in the sector, but down 1.2 points versus 2018, when it was particularly high (4.3% restated).

Net profit attributable to the Group came to €325 million versus €296 million in 2018. The rise was mainly because of the sale of interests in airport and motorway concessions. The net margin remained stable at 2.4%.

High net surplus cash

Bouygues Construction had net surplus cash of €3.1 billion at end-2019, the same as at end-2018.

Developments in Bouygues Construction's markets and activities

Building and civil works

In 2019, sales in building and civil works came to €9.6 billion, 4% more than in 2018. The share of sales on international markets continued to rise, standing at 58% versus 55% in 2018.

FRANCE

In the building segment in France, social housing budgets were generally tight, especially outside the Paris region. In the Paris region, demand for commercial buildings together with urban renovation and eco-neighbourhood projects offered attractive opportunities. Likewise, positive momentum continued in the civil works segment, where contracts for the Grand Paris Express rapid transit project represent a market worth over €30 billion to 2030. Civil works activity held up well outside the Paris region, boosted by public procurement in a pre-election year.

2019 sales: €4.0 billion (-3%)

The 3% decline in sales in the building segment was due to lower orders outside the Paris region, linked to the decision to be more selective in commercial operations.

In the Paris region, despite a fall in the residential segment, 2019 saw the start of work on large-scale projects booked in 2018, such as the renovation of 17 Boulevard Morland in central Paris and the Chapelle International project in the north of the city. Work continued on major amenity projects such as the 3 Fontaines shopping centre at Cergy-Pontoise (Paris region) and the rehabilitation of the Louvre Post Office in Paris. Several projects were handed over in 2019 in Paris, including the 17e Ciel Paris-Batignolles complex in the new Batignolles neighbourhood and the Grand Central Saint-Lazare office building near Saint-Lazare railway station.

Outside the Paris region, the company handed over the Biotope project in Lille, a 30,000-m² building that hosts the headquarters of the Lille metropolitan authority (MEL). Work continued on the CO'Met sports and entertainment complex in Orleans.

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.

^a Excluding the impact or the partial divestment of Axione in 2018.

Elsewhere in France, Bouygues Construction was involved in complex major projects, including civil engineering works for the ports of Brest and Calais. Work on Line T2 of the Nice tram line was completed in 2019. In addition, Bouygues Construction has regional branches all over France which specialise in smaller-scale civil engineering projects and earthworks.

EUROPE

The construction market in Europe grew by nearly 2.5% in 2019, slightly less than in 2018 (3%).

The main drivers of growth at present are growing urbanisation and "catch-up" investment after several years of under-spending following the 2008 financial crisis. In the medium-term, slower economic growth in some European countries, linked in particular to the slowdown in international trade and political uncertainty, could adversely affect the construction market.

In Western Europe, Bouygues Construction subsidiaries are particularly active in the UK and Switzerland. Uncertainty over Brexit continued to affect the construction market in the UK. The construction market in Switzerland, long driven by the building segment, is a little less dynamic, especially in the residential segment.

2019 sales: €2 billion (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 the Castle Park View project in Bristol. 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, which on completion will meet 7% of the UK's power consumption needs and supply over five million households.

In **Switzerland**, Bouygues Construction strengthened its expertise in property development, especially in Basel, 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 and the Czech Republic.

Elsewhere in Europe, Bouygues Construction is also involved on a one-off basis in major infrastructure projects. Work continued on a complex offshore extension project in **Monaco**, where the installation of 18 caissons was completed in 2019.

ASIA - PACIFIC

Growth rates on Asian markets remained high, partly driven by China, which is on the way to becoming the world's largest economy. Hong Kong, Singapore and the Philippines continue to exhibit strong potential.

In Australia, housing and retail construction and public investment in healthcare are driving the building market. The infrastructure construction market is likely to remain strong, sustained by government spending, especially on roads and telecommunications.

2019 sales: €2.6 billion (+18%)

In **Asia-Pacific**, Bouygues Construction has developed its expertise through its building and civil works subsidiaries, giving it strong local operations.

Several major underground projects are being built in **Hong Kong**, including the sub-sea Tuen Mun-Chek Lap Kok road tunnel and the extension of the Shatin to Central Link metro line. Bouygues Construction handed over the two twin-tube Liangtang tunnels in 2019. Activity in Hong Kong in 2019 contributed around 5% of Bouygues Construction's sales (and 2% of the Bouygues group's sales).

Bouygues Construction continued to work on infrastructure projects in **Australia**, including the NorthConnex and WestConnex motorway tunnels in Sydney and the Melbourne metro. The acquisition of AW Edwards in July 2018 has expanded the company's presence in the country, where it also builds data centres and hospitals, such as Blacktown Hospital near Sydney.

Bouygues Construction is a recognised player in the building segment in **Singapore** and **Thailand**, especially for high-rise residential buildings such as Project Glory in Singapore and The Esse at Sukhumvit in Bangkok.

In **Myanmar**, Bouygues Construction continued work on the second phase of the Yoma Central multi-use residential complex.

AFRICA - MIDDLE EAST

High levels of economic growth are expected in Africa, linked in particular to rapid urbanisation, though the geopolitical context remains fragile. In the Middle East, the economic situation is highly dependent on the price of oil. However, infrastructure needs make these high-potential regions for construction firms. Bouygues Construction takes a selective approach to projects in this part of the world.

2019 sales: €542 million (+2%)

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 completed renovation work on Antananarivo and Nosy Be airports in **Madagascar**.

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.

In the **Middle East**, the company handed over two sewage tunnels in Doha, **Qatar**.

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 growth of tourism in the Caribbean also potentially opens up attractive opportunities for Bouygues Construction.

^a The "2000-watt 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'Energie to development projects, neighbourhoods and urban areas which embrace these objectives.

2019 sales: €463 million (+38%)

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, a growing market driven by the steady growth of tourism. Orders for new projects were booked in 2019. In the **Bahamas**, Bouygues Construction completed work on Ocean Cay, a 100-acre artificial island which includes an arrival centre for cruise ships.

Energies and Services

An Energies and Services arm comprising Bouygues Energies & Services, Alpiq InTec and Kraftanlagen München has been created following the acquisition of the latter two companies in July 2018. It benefits from the expertise of these two businesses, the former in electrical and HVAC engineering and the latter in power-plant development and services to industry respectively.

There is growing demand in industry for cutting-edge expertise in areas such as robotisation and smart buildings, as well as for complex processes and industrial maintenance. In addition, environmental issues, demographic growth and increasingly scarce raw materials make energy efficiency in buildings a central concern. Telecommunications needs are also driving rising demand for network infrastructure. These key trends on the energy and services markets offer the Energies & Services arm 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 generated sales of €3.7 billion in 2019, a sharp rise on 2018 due to the consolidation of Alpiq InTec and Kraftanlagen.

FRANCE

2019 sales: €1.3 billion (-11%)

Restated for the effect of the partial divestment of Axione, activity in France increased by 12% versus 2018, driven by a high level of order intake, especially for network infrastructure (Fibre-To-The-Home).

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, now jointly managed with Mirova, an investment fund. A new large-scale contract was gained in 2019 with the aim of installing a million optical fibre connections in rural areas of Brittany, western France. With over a million connections already installed at end-2019, Bouygues is a major player in optical fibre in France.

Bouygues Energies & Services also provides expertise in electrical and HVAC (heating, ventilation, and air conditioning) engineering, for example with the installation of HVAC systems as part of the Gaité renovation project in the south of Paris. It also has acknowledged expertise in the design and construction of solar farms such as the one at Piolenc called O'Mega1, in the south of France, the first floating solar farm built on a lake.

Bouygues Energies & Services has contracts to operate and maintain several public and private facilities in France, such as the Paris law courts, the Defence Ministry and the CAF de Loire family allowance offices at Saint-Etienne. Through its Evesa subsidiary, it also carries out a street lighting contract for the City of Paris.

In a consortium with Citelum (a subsidiary of EDF), Suez and Capgemini, Bouygues Energies & Services is overseeing the design, construction and operation of France's first smart-city project in Dijon. The 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

2019 sales: €2.5 billion (+43%)

The surge in international sales was mainly due to the acquisition of Alpiq InTec (renamed Bouygues Energies & Services InTec) and Kraftanlagen München in July 2018, strengthening Bouygues Construction's presence in **Switzerland** and northern Italy and giving it a foothold in **Germany**. Like-for-like and at constant exchange rates, sales would be down by €20 million (-1%).

The two companies have acknowledged expertise in energy systems and industrial engineering and offer solutions for power plants, especially hydropower plants.

In major power grid infrastructure projects, Bouygues Energies & Services develops turnkey photovoltaic solutions, as in **Vietnam**, where it finished building a 243-hectare solar power plant in 2019. It recently started work on a new solar farm in **Japan**.

Bouygues Construction's facilities management activities are expanding further, mainly in the **UK**, for the Metropolitan Police in south-east London and for Southmead hospital in Bristol for example. In North America, in **Canada**, 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



^a Includes commercial property in France and outside France, as well as ground floor retail premises in France and outside France

Condensed balance sheet

Assets

	2019	2018 restated ^a
at 31 December, € million		
Property, plant and equipment and intangible assets	51	49
Right of use of leased assets	37	40
Goodwill		
Non-current financial assets and taxes	81	51
Non-current assets	169	140
Current assets	2,236	2,354
Cash and cash equivalents	86	70
Financial instruments - Hedging of debt		
Current assets	2,322	2,424
Held-for-sale assets and operations		
TOTAL ASSETS	2,491	2,564

Liabilities and shareholders' equity

	2019	2018 restated ^a
at 31 December, € million		
Shareholders' equity attributable to the Group	471	599
Non-controlling interests	4	5
Shareholders' equity	475	604
Non-current debt	20	17
Non-current lease obligations	31	35
Non-current provisions	91	88
Other non-current liabilities and taxes	9	9
Non-current liabilities	151	149
Current debt	40	6
Current lease obligations	9	8
Current liabilities	1,511	1,512
Overdrafts and short-term bank borrowings	305	285
Financial instruments - Hedging of debt		
Current liabilities	1,865	1,811
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,491	2,564
NET DEBT (-)/NET SURPLUS CASH (+)	(279)	(238)

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

Condensed income statement

	2019	2018 restated ^a
€ million		
Sales	2,706	2,628
Net depreciation and amortisation expense	(10)	(10)
Net amortisation expense on right of use of leased assets	(9)	(9)
Net charges to provisions and impairment losses	(24)	2
Other income and expenses	(2,564)	(2,421)
Current operating profit	99	190
Other operating income and expenses		
Operating profit	99	190
Cost of net debt/income from net surplus cash	(2)	(2)
Interest expense on lease obligations	(2)	(2)
Other financial income and expenses	(7)	(13)
Income tax expense	(38)	(79)
Share of net profits/losses of joint-ventures and associates	(3)	46
NET PROFIT	47	140
Net profit attributable to non-controlling interests	1	3
NET PROFIT ATTRIBUTABLE TO THE GROUP	46	137

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

HEADCOUNT

At 31 December 2019

—
1,904

HIGHLIGHTS

RESIDENTIAL PROPERTY

- France's tallest 100%-timber apartment building, Sensations, in Strasbourg inaugurated; Les Jardins d'Arcadie, a retirement home in Saint-Jean-de-Braye, central France, inaugurated

URBAN PLANNING

- UrbanEra chosen for the redevelopment of the new railway station district in Saint-Julien-en-Genevois in the French Alps
- The BiodiverCity Ready (Design phase) label awarded to Nanterre Cœur Université (Paris region.)

COMMERCIAL PROPERTY

- Award of the EDA^a project, a timber-framed, low-carbon, positive-energy building in Paris

OPERATION AND SERVICES

- Opening of a new Wojo co-working^b site (a joint venture with Accor) at Paris-Madeleine. Roll-out of the first Wojo spots and corners in Accor hotels
- 11 new projects won by Les Jardins d'Arcadie Exploitation (senior citizens residences) following the call for bids launched by Poste Immo
- Koumkwati, the first coliving residence built within îlot Nettoiemment redevelopment project in Nice

INTERNATIONAL

- Camelia, the first residential property project with the BiodiverCity^c label in Poland

a Within the framework of "Invent the Grand Paris metropolitan area 2", Europe's largest call for tenders in the field of property development, urban planning and architecture.

b 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 commutes.

c The first international label that indicates biodiversity has been factored into property development construction and renovation projects.

2

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 CO₂ 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 (Koumkwatu), services for office buildings (Aveltys, a joint venture with Schneider Electric) and rental management (a new business).
- **Improve the total net impact of its activities** by enhancing upsides (stepping up urban regeneration, responding to the shortage of accessible housing, supporting the local economy and local employment, introducing nature into the urban environment) and mitigating downsides (reducing the carbon emissions of activities by 30% in 2030 versus 2017, protecting biodiversity with the aim of making 25% of projects biodiversity-positive by 2025, and preserving resources through the circular economy and the use of new, reversible construction methods).

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,

^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 commutes.

^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).

■ and by 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, strengthen the purchasing policy and use new construction methods to improve quality while reducing costs and deadlines.
- **Useful innovation:** prepare for the new 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.
- **Transformation of the corporate and managerial culture:** encourage teamwork in project mode and increase agility and performance. A key success factor for Bouygues Immobilier's new strategy, it is given practical expression in the short term through a code of conduct, shared with all employees, which embodies the new culture at all levels.

Strengths and assets

In a slightly shrinking market and despite lower financial results due to cyclical factors in 2019, Bouygues Immobilier has several competitive advantages to ensure future growth.

- **Extensive geographical coverage:** the company has 39 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 **genuine ability to innovate in products and services** in order to meet the major challenges of the present and prepare for the new ways of using property of tomorrow. For example:
 - Bouygues Immobilier has developed more than a dozen Green Office® large-scale, positive-energy office buildings with guaranteed building charges (through Aveltys);
 - Wojo, created by Bouygues Immobilier in 2015, aims to be the European leader in coworking spaces by 2022, rolling out its own facilities as well as corners and spots in hotels and railway stations;
 - Bouygues Immobilier had already handed over more than 10,000 connected housing units based on its pioneering Flexom solution by the end of 2019.
- 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.

Market position

With a market share of 8% in 2019, 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 (BNP Paribas Real Estate, Sogeprom,

Nexity and Altarea Cogedim) through 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 achievements that include:

- Ginko in Bordeaux: namely 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: this is a 76,000-m² project 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, and;
- Fort d'Issy at Issy-les-Moulineaux, with 1,623 housing units, 2,300 m² of shops and public amenities, and 44,000 m² of green spaces.

In 2018, UrbanEra won the Charenton-Bercy contract, the largest in the "Invent the Grand Paris Metropolitan Area"^a call for bids. This ongoing project is for the development of 400,000 m², in partnership with the Grand Paris Aménagement development agency and asset manager Tikehau Capital.

2.1.3.2 Business activity in 2019

Bouygues Immobilier took reservations worth €2.7 billion in 2019, up 3% versus 2018. The backlog at end-December 2019 stood at €2.2 billion, down 11% year-on-year. Reservations in France represented 96% of the order book at end-December 2019.

Bouygues Immobilier reported sales of €2.7 billion, up 3% on 2018. Residential property sales amounted to €2.2 billion, down 7% on 2018, in line with the fall in reservations. Commercial property sales were €499 million, almost double the amount in 2018, mainly due to the sale of the Sways building in Issy-les-Moulineaux at the end of the year.

Current operating profit amounted to €99 million, representing 3.7% of sales. The year-on-year fall in the current operating margin was mainly due to:

- higher subcontracting costs linked to pressure on the construction market in France, and;
- additional external distribution costs related to the change in the customer mix in the residential property segment.

Net profit attributable to the Group amounted to €46 million.

Bouygues Immobilier had net debt of €279 million at 31 December 2019.

Developments in Bouygues Immobilier's markets and activities

Residential property

FEWER NEW HOUSING UNITS FOR SALE

The French new housing market as a whole was stable in 2019, with 129,547 housing units sold. In a pre-election year, the number of building permits granted fell 2.3% versus 2018, resulting in a 13.3% drop in the number of new residential properties coming onto the market in 2019 versus 2018 (Source: ECLN)^b.

However, the market fundamentals remain positive:

- demand for housing remains strong,
- terms for borrowers remain highly attractive, with historically low interest rates, and;
- tax incentives (zero-interest loan programme, Pinel buy-to-let incentives) have been extended until 2021.

Bouygues Immobilier took reservations for 11,297 residential property units in 2019, equating to €2.1 billion (down 11% year-on-year).

In France, the number of reservations was 10,378, down 17% (30% block sales, 70% unit sales). These results were mainly due to erosion of the stock of properties for sale.

Bouygues Immobilier's commercial activity outside France held up well, driven mainly by Poland. 919 reservations were taken.

2

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 senior citizens and students.

2019 saw several landmark inaugurations and recognitions, including:

- the award of BBCA low-carbon certification to the Sensations residential development in Strasbourg. The highest timber-framed residential building in France, the project obtained BBCA "Excellence" certification for both the design and the handover phase;
- inauguration of So Cloud, an 81-unit, 4-star apartment hotel in the Sky Avenue building in Lyon's Part-Dieu district. With its distinctive design by architect Christian de Portzamparc, winner of the Pritzker prize in 1994, Sky Avenue also hosts a nursery, shops and 28 upmarket apartments;
- the Camelia residence in Warsaw, handed over in late 2018. With 161 apartments and 2,500 m² of green spaces, it is the first property development project in Poland to obtain the BiodiverCity label and HQETM High Environmental Quality certification.

Lastly, in 2019, Bouygues Immobilier strengthened its social and intermediate house building activity thanks to the signing of a partnership with CDC Habitat for over 3,500 housing units.

Commercial property

A DYNAMIC MARKET

Although the commercial property market in the Paris region contracted by 10% versus 2018, it remained above the ten-year average with 2.3 million m² taken up. The decline, which affected all market segments (small, medium and large surface areas), was mainly due to a low level of available space, especially in Paris, where the shortage continues.

^a Europe's largest call for tenders in the field of property development, urban planning and architecture.

^b New housing survey.

The investment market in the Paris region remained very bright, with €27 billion invested in 2019, beating the previous record of €23 billion set in 2018 (source: Immostat).

In this context, commercial property reservations taken by Bouygues Immobilier in France more than doubled to €585 million in 2019^a as a result of two major sales:

- the Mirabeau tower in Marseille, sold to Merit (CMA CGM) which, following deconstruction of its historic headquarters, will move into a new, 85-metre-high building looking out over the Mediterranean;
- the 42,000-m² Sways (Smart Ways to Work) building in Issy-les-Moulineaux (Paris region), sold to Sogecap, which will host the future headquarters of Canal+.

AN INNOVATIVE COMMERCIAL PROPERTY OFFERING

Having led the way in Green Office® positive-energy office buildings over the last ten years, with 15 projects completed or in the pipeline by the end of 2019, Bouygues Immobilier is now offering a new generation of office buildings, open to the neighbourhood in which they are located and offering services which address environmental and social concerns such as low carbon certification, shared spaces and connection to soft mobility services. Sways, sold in 2019, illustrates Bouygues Immobilier's new vision of commercial property, as does the EDA project, designed by Kengo Kuma & Associates and located on Quai d'Issy, on the western edge of Paris, awarded in the context of the "Invent the Grand Paris Metropolitan Area 2"^b call for projects.

Sustainable urban planning

Since its creation in 2011, UrbanEra, Bouygues Immobilier's Major Urban Projects division, has developed projects spanning more than 1.2 million m², including 200,000 m² in 2019, in response to substantial needs for urban regeneration across France.

In late 2019, UrbanEra was selected to redevelop the centre of Saint-Julien-en-Genevois, a 60,000-m² project for the first low-carbon neighbourhood in the Haute Savoie department (south-eastern France). With the redevelopment of the railway station district in Divonne-les-Bains and the Etoile mixed-use development zone in Annemasse, now in progress, it is the third project awarded to UrbanEra in that part of France since 2016, representing a total of over 280,000 m² for redevelopment.

The first residential phase of the Nanterre Cœur Université district, a 76,000-m² urban mixed-use project adjacent to La Défense, was inaugurated in May 2019. Handover of the 175 units (63 of them social housing), enhanced with shared gardens, will be followed in 2020 by a multi-screen cinema, a further 322 housing units, two Green Office positive-energy office buildings and a shopping centre. Nanterre Cœur Université is one of the first neighbourhoods in France to have obtained the BiodiverCity Ready label.

Operation and services

Bouygues Immobilier has been expanding its operation and services activities over the last five years.

- **Senior citizens residences:** in 2019, Bouygues Immobilier increased its stake in Les Jardins d'Arcadie Exploitation from 40% to 49% in order to further develop senior citizens residences under the Les Jardins d'Arcadie name. This entity expects to double the number of its residences over the next five years. With 39 residences already, six of them handed over in 2019, Les Jardins d'Arcadie Exploitation won the call for bids in late 2019 launched by Poste Immo^c to transform 14 former post-office sites into senior citizens residences.
- **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 was renamed Wojo, which aims to lead the European market for new collaborative working spaces by 2022. A new site has been opened in the Madeleine district of central Paris, and the first Wojo Spots and Wojo Corners have been created in Accor hotels. 11 sites have been opened to date, representing a surface area of over 55,000 m² of coworking spaces.
- **Coliving:** Koumkwat, Bouygues Immobilier's first coliving residence, will form part of the project to redevelop îlot Nettoiemment in Nice.
- **Office building services:** Aveltys, a joint venture between Bouygues Immobilier and Schneider Electric, specialises in managing and optimising the performance of commercial property programmes. In 2019, Aveltys consolidated its expertise via a partnership with Bureau Veritas in order to help customers control their building charges and successfully negotiate the energy transition.

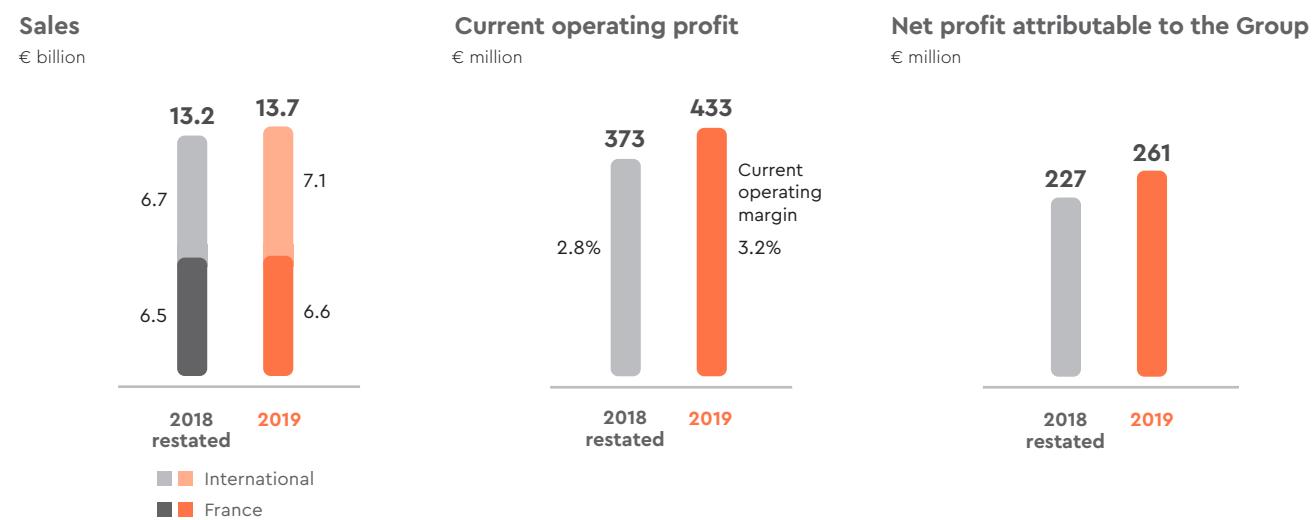
a Out of total commercial property reservations worth €625 million, which included corporate property in France and abroad as well as retail space.
b Europe's largest call for tenders in the field of property development, urban planning and architecture.

c Its activities include the management, maintenance, development and renovation of one of the biggest portfolios of owned or rental properties in France.

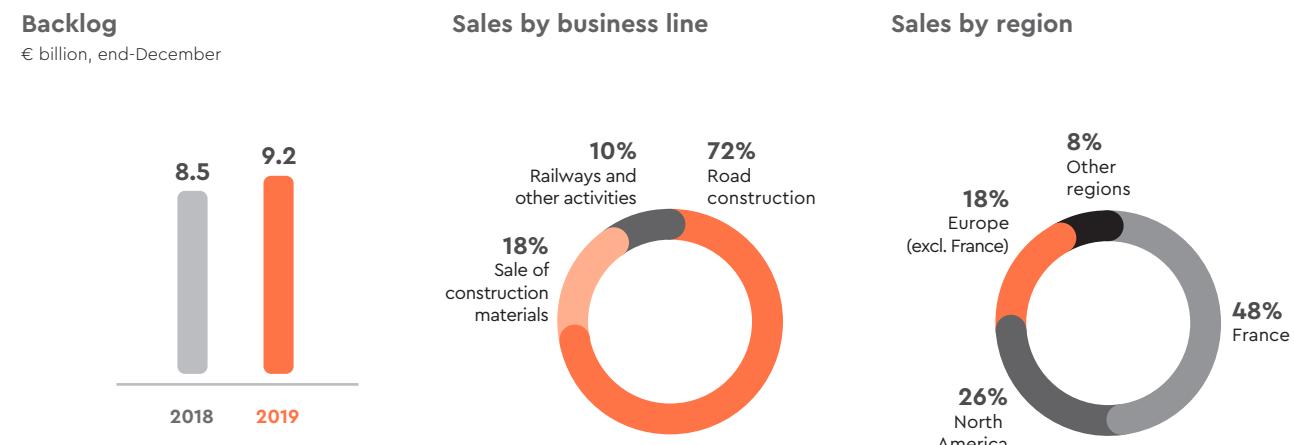
2.1.4 Colas, a world leader in transport infrastructure construction and maintenance

Colas, a world leader in transport infrastructure construction and maintenance, sets out to promote solutions for responsible mobility. Operating in over 50 countries worldwide, Colas completes over 70,000 projects every year. The group has a significant construction materials production and recycling activity as well as a bitumen distribution network.

Key figures



2



Condensed balance sheet

Assets

	2019	2018 restated ^a
at 31 December, € million		
Property, plant and equipment and intangible assets	2,789	2,782
Right of use of leased assets	408	370
Goodwill	694	674
Non-current financial assets and taxes	736	736
Non-current assets	4,627	4,562
Current assets	4,823	4,598
Cash and cash equivalents	488	563
Financial instruments - Hedging of debt	11	11
Current assets	5,322	5,172
Held-for-sale assets and operations		339
TOTAL ASSETS	9,949	10,073

Liabilities and shareholders' equity

	2019	2018 restated ^a
at 31 December, € million		
Shareholders' equity attributable to the Group	2,882	2,768
Non-controlling interests	27	29
Shareholders' equity	2,909	2,797
Non-current debt	431	503
Non-current lease obligations	335	317
Non-current provisions	857	792
Other non-current liabilities and taxes	117	122
Non-current liabilities	1,740	1,734
Current debt	36	46
Current lease obligations	93	74
Current liabilities	4,772	4,589
Overdrafts and short-term bank borrowings	387	488
Financial instruments - Hedging of debt	12	12
Current liabilities	5,300	5,209
Liabilities related to held-for-sale operations	0	333
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,949	10,073
NET DEBT (-)/NET SURPLUS CASH (+)	(367)	(475)

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

Condensed income statement

€ million	2019	2018 restated ^a
Sales	13,688	13,190
Net depreciation and amortisation expense	(462)	(461)
Net amortisation expense on right of use of leased assets	(90)	(68)
Net charges to provisions and impairment losses	(151)	(100)
Other income and expenses	(12,552)	(12,188)
Current operating profit	433	373
Other operating income and expenses	(28)	(31)
Operating profit	405	342
Cost of net debt/income from net surplus cash	(33)	(31)
Interest expense on lease obligations	(15)	(13)
Other financial income and expenses	2	(2)
Income tax expense	(141)	(96)
Share of net profits/losses of joint-ventures and associates	43	28
NET PROFIT	261	228
Net profit attributable to non-controlling interests		1
NET PROFIT ATTRIBUTABLE TO THE GROUP	261	227

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

HEADCOUNT

At 31 December 2019

57,037

HIGHLIGHTS

MAJOR CONTRACT GAINS

- Rail works contract for the South Rail Systems Alliance in the UK
- Circuits for the BMW test centre in the Czech Republic
- A Bus Rapid Transit (BRT) partnership contract in Cayenne (French Guiana)
- Renovation of Highway 401 in Toronto (Canada)
- Widening of the A10 motorway in central France
- Taxiway for Los Angeles airport (US)

MAJOR PROJECTS UNDER CONSTRUCTION

- The M30 and M25 motorways in Hungary
- Light rail systems in Hanoi and Jakarta

PROJECTS HANDED OVER

- Antananarivo and Nosy Be airports in Madagascar
- Resurfacing of runway No.3 at Orly airport in Paris

INNOVATION

- ANAIS, a preventive road-management service in Normandy, France
- Agreement with Sidewalk Labs (Google) for Flowell in Toronto
- Launch of Wattway Pack, an independent energy supply solution for roadside equipment

DIVESTMENT

- Sale of Smac to OpenGate Capital

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, bitumen production units) in over 50 countries around the world, Colas completes over 70,000 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 16 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 449 quarries and gravel pits (of which 95 partly-owned by Colas), 151 emulsion plants, 526 asphalt plants, 192 ready-mix concrete plants and one bitumen production plant^a. Colas also has a significant bitumen distribution activity supplied by 69 bitumen terminals.

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 (formerly called Networks-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 networks (electricity, heating and telecommunications).

In May 2019, Colas sold its Waterproofing activity (Smac).

The Road safety/signalling activity (Aximum) has been brought under the umbrella of the Roads business.

Growth strategies and opportunities

Colas' business development strategy is based on providing worldwide collective expertise in order to drive strong brand and profit growth.

This overall strategy is built on four strategic priorities:

- **promoting 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;
- **enhancing the range of products and services** in two areas:
 - complex large-scale projects for major public- or private-sector customers;
 - and new and innovative business lines and services focusing on customer demand for responsible mobility.
- **continuing 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 and;
- **accelerating digital transformation** in processes, industries and new businesses in order to improve competitiveness and the quality of service provision and offer new services.

Strengths and assets

Colas operates on **markets with long-term growth prospects all over the world**, driven by population growth, urbanisation, substantial infrastructure needs in emerging countries, recurring renewal 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 57,000 employees who share a common history and values, especially safety, ethics and respect for the environment, and a strong brand;
- **an ability to innovate**,
 - backed up by a Campus for Science and Techniques (CST), which designs and develops products and technologies that meet the challenges of the energy transition and new practices in the field of digital transformation
 - "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** through 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 70,000 projects completed each year. A special division, Colas Projects, also supports subsidiaries in the design and construction of major projects;

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

- a robust financial structure and ability to generate cash flow, which enable the Colas group 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) 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. In North America, Colas competes with local, regional and national firms as well as subsidiaries of multinationals. Colas has prime positions in the roadbuilding sector in most of the other countries where it operates, its main competitors being domestic 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, VolkerWessels, Vinci, Skanska, 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 2019

Colas reported sales of €13,688 million in 2019, up 4% on 2018 (up 5% like-for-like and at constant exchange rates, and up 7% excluding Smac). Growth in the roads business in mainland France and Colas Rail's railway business helped to offset the effect of the divestment of the Waterproofing business (Smac). Sales rose 2% in France (up 9% like-for-like) and 5% on international markets (up 1% like-for-like and at constant exchange rates). International business continued to progress: sales of €7,092 million represented 52% of the total versus 51% in 2018. Sales in France amounted to €6,596 million, 48% of the total.

Sales in the roads business were up 7% (up 4% like-for-like and at constant exchange rates), driven by mainland France (up 9% like-for-like). Sales in Europe remained stable like-for-like and at constant exchange rates. Sales in North America also remained stable like-for-like and at constant exchange rates, a rise in the United States offsetting a decline in Canada linked to the economic slowdown in Alberta. Sales in the rest of the world rose 5% like-for-like and at constant exchange rates, driven by the Indian Ocean region and Africa in particular. Sales of materials rose 11%, outstripping the growth of the roads business.

Sales in Railways and other activities fell 16% due to divestment of the Waterproofing business (Smac) but rose 7% like-for-like and at constant exchange rates, driven by strong growth at Colas Rail (up 19%, and up 11% like-for-like and at constant exchange rates).

Current operating profit in 2019 amounted to €433 million versus €373 million in 2018, an increase of €60 million (€88 million stripping out seasonal losses at Miller McAsphalt group in January and February 2019, which were two months that were not consolidated in 2018). The increase was mainly due to the continued strength of the roads activity in mainland France, improved profitability in North America, especially the United States, and the turnaround of Colas Rail. The current operating margin was 3.2% in 2019 versus 2.8% in 2018, up 0.4 points.

Non-current operating charges amounted to €28 million in 2019, related to the ongoing dismantling of the Dunkirk refinery and structural

adjustment costs. The equivalent figure in 2018 was €31 million, mainly related to the dismantling of the Dunkirk refinery and the one-off year-end employee bonus promoted by the French government.

Operating profit therefore amounted to €405 million versus €342 million in 2018, an increase of €63 million.

The cost of net debt was €33 million versus €31 million in 2018.

Income tax in 2019 came to €141 million versus €96 million in 2018, an increase of €45 million due to increased operating profit and conversion of the competitiveness and employment tax credit into lower social security charges.

The contribution of joint ventures and associates amounted to €43 million versus €28 million in 2018, an increase of €15 million due to an increased contribution from Tipco Asphalt.

Net profit attributable to the Group amounted to €261 million in 2019 compared with €227 million in 2018, an increase of €34 million.

Net cash flow came to €780 million versus €698 million in 2018, an increase of €82 million. Free cash flow was €341 million versus €46 million in 2018, an increase of €295 million, including €265 million for the operating working capital requirement.

Net cash used in fixed assets rose by €37 million to €337 million in 2019 versus €300 million in 2018. While gross capital expenditure fell by €54 million to €408 million, disposals fell by half to €87 million in 2019. Disposals in 2018 included the sale and leaseback at Colas Rail of 67 locomotives in France and the UK.

After the acquisition of Miller McAsphalt group and Alpiq's railway activities in 2018, net cash used in financial assets was €41 million compared with €720 million in 2018, a reduction of €679 million.

Shareholders' equity stood at €2.9 billion at 31 December 2019 versus €2.8 billion a year earlier. Net debt at end-December 2019 was €367 million versus €475 million at end-December 2018, an improvement of €108 million.

Roads

(2019 sales: €12,253 million)

Sales in 2019 were 7% higher than in 2018 (up 4% like-for-like and at constant exchange rates).

Roads mainland France (2019 sales: €5,479 million)

Sales in 2019 were up 9% versus 2018. Benefiting from generally better weather than in 2018, subsidiaries put in a satisfactory performance in terms of activity, in line with growth in the market, despite disrupting factors such as sharply fluctuating bitumen prices, sourcing difficulties and industrial action. In a pre-election year, municipal authorities launched numerous road maintenance and renovation projects. Infrastructure projects such as tram lines and bus rapid transit (BRT) corridors were mostly completed. Activity was also boosted by a motorway upgrade plan, especially the A10 motorway in central France, and ongoing work on the Grand Paris rapid transport project, such as the T12 and T13 tram lines. Diversification by subsidiaries into areas such as B2C under the specific "Colas & Vous" brand name, depollution, trading in civil works products, recycling and elimination of construction waste also helped to boost sales. The Aximum Road safety and signalling business, under the Roads mainland France umbrella since 1 January 2019, operated in markets hit by overcapacity in both works and services and in industrial activities such as road marking and road signs.

Roads Europe (2019 sales: €1,869 million)

Sales in 2019 were up 2% versus 2018 (stable like-for-like and at constant exchange rates).

In the **British Isles**, sales were up 4% versus 2018 (up 2% like-for-like and at constant exchange rates). The slight increase in activity in the UK was driven by the many capital spending plans launched by the **UK** government, in an environment that remains fiercely competitive. The transformation plan designed to ensure a better match between supply and demand at regional level continued, at the same time as the roll-out of a Major projects business. In Ireland, in a still-favourable economic environment, activity rose in most sectors and Streetsweep, leader on the Irish road planning market, was acquired.

Sales were stable in **Continental Europe** (up 1%, but down 1% like-for-like and at constant exchange rates). Activity was sustained by major transport infrastructure projects in Central Europe financed by EU funds under the 2017-2020 plan. Major projects continued in **Hungary**, including the M4, M25 and M30 motorways and the Budapest tram line. In the **Czech Republic**, work continued on the contracts to widen and strengthen the D3 and D48 motorways. Sales in **Poland** surged following the acquisition of Skanska's roads assets (11 asphalt plants). Activity held up well in **Iceland**, boosted by the acquisition of Nordurbik, and remained stable in **Switzerland** and **Denmark**. In **Belgium**, work started on the Liège tram line, a public-private partnership (PPP) project.

Roads North America (2019 sales: €3,555 million)

Sales in 2019 were up 6% versus 2018 (stable like-for-like and at constant exchange rates).

In the **United States**, in a favourable economic environment, federal investment in transport infrastructure was supplemented by initiatives financed by individual States. Activity varied from one State to another, driven by sustained demand in California, for example, but crimped by tight market conditions in the mid-West. Sales in 2019 were up 12% (up 5% like-for-like and at constant exchange rates) versus 2018, boosted by higher prices for oil products, especially bitumen. The assets of Carroll & Carroll Inc., a Georgia-based hot-mix asphalt and paving company, were acquired.

In **Canada**, the market was broadly stable and fiercely competitive. The level of roadbuilding activity differed across the country, rising slightly in Ontario and Quebec, remaining stable in British Columbia and falling in Alberta and Saskatchewan. The bitumen distribution business benefited from a favourable market in the east of the country (Ontario and Quebec), but conditions were tougher in the west. The integration of

Miller and McAsphalt group continued smoothly. Colas Canada's sales were up slightly by 1% versus 2018 (down 4% like-for-like and at constant exchange rates).

Roads "Rest of the world" (2019 sales: €1,350 million)

Sales in 2019 were up 7% versus 2018 (up 5% like-for-like and at constant exchange rates).

- Sales increased 6% like-for-like and at constant exchange rates in the **French overseas departments and regions** and in the **Indian Ocean** region. Levels of activity differed in the **Caribbean-French Guiana** zone, rising sharply in Guadeloupe as a result of local-authority and private-sector investment, but remaining at a low level in Martinique, hit by the suspension of investment in new-build and maintenance projects. On **Reunion Island**, activity rose in the traditional public works, civil engineering and building business, but construction work on the elevated sections of the New Coastal Road was held back by a shortage of materials. Activity in **Madagascar** fell sharply following completion of construction work and the resurfacing of runways at Antananarivo and Nosy Be airports. On **Mauritius**, activity was sustained by public investment in new roads and road maintenance.
- In **Africa and the Middle East**, sales were up 9% like-for-like and at constant exchange rates. The subsidiary in **Morocco** maintained its market share in a fiercely competitive market. Activity rose in **West and Central Africa**: work continued on projects in **Ivory Coast**, while other projects started in **Benin** and **Gabon**. Activity in **Southern and Eastern Africa**, centred on the manufacture and sale of emulsions, remained depressed against a background of political and economic uncertainty in **South Africa**. In the **Middle East (United Arab Emirates, Oman and Qatar)**, where subsidiaries are consolidated by the equity method, activity likewise fell sharply in a particularly difficult political and economic environment.
- Sales were stable like-for-like and at constant exchange rates in **Asia, Australia and New Caledonia**. In **Asia**, activity rose sharply at the Tipro Asphalt subsidiary, which produces, distributes and sells bitumen products and is consolidated using the equity method. Activity in **Australia** (roadworks and the sale of bitumen and emulsions) held up well against the background of a slowing economy and;
- Colas took its first steps in the roadbuilding sector in **Latin America**. In **Peru** it created Colvias, a subsidiary specialising in mining infrastructure and medium- and long-term road maintenance contracts. In **Chile** it acquired Asfalcura, a roadbuilding company, and its subsidiary Oil Malal, which distributes bitumen and bitumen products.

Railways and other activities**(2019 sales: €1,397 million)**

Sales by Railways and other activities were 16% lower than in 2018 (up 7% like-for-like and at constant exchange rates). The Waterproofing business operated by Smac (Q1 2019 sales: €141 million) was sold in May 2019. The Safety and road signalling business (Aximum) was brought under the umbrella of the Roads mainland France division on 1 January 2019.

Railways

Sales were up 19% at €1,088 million (up 11% like-for-like and at constant exchange rates), with international markets accounting for more than two-thirds of the total. Activity increased in France. The metro and tram activity was boosted by ongoing work on a number of projects in Paris and the Paris region, as well as in Angers, Bordeaux, Caen and Rennes, among others, and the tracklaying and catenary activity by two major rail network renewal and maintenance contracts. Activity in the UK rose

on a still-strong railway market. Positive momentum continued in continental Europe, especially in Belgium, where work started on the Liège tram line (a public-private partnership), in Poland and in Serbia. Activity was also boosted by the contribution of entities acquired in late July 2018 in Italy, the Czech Republic and Switzerland. Sales rose in the rest of the world. In the Middle East/Africa zone, lower activity in Morocco (following completion of the Tangiers-Kenitra high-speed rail link), Algeria and Guinea was partially offset by high activity in Egypt and Tunisia. Activity rose sharply in South America with the start of work on several sites for the Santiago metro in Chile. Activity also rose in Asia as work continued on Line 3 of the Hanoi metro and the Jabodebek light railway in Jakarta.

Water and energy transport

Formerly called Networks, the Water and energy transport activity generated sales of €169 million, 15% lower than in 2018, as a result of the completion of major gas pipeline projects in France.

2.1.5 Outlook for the construction businesses

See Outlook section on page 21.

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.

Key figures



a TF1, TMC, TFX, TF1 Série Films and LCI.
b Source: Médiamétrie, annual average.

Condensed balance sheet

Assets

	2019	2018 restated ^a
at 31 December, € million		
Property, plant and equipment and intangible assets	519	479
Right of use of leased assets	94	98
Goodwill	845	817
Non-current financial assets and taxes	49	61
Non-current assets	1,507	1,455
Current assets	1,732	1,683
Cash and cash equivalents	105	117
Financial instruments - Hedging of debt		
Current assets	1,837	1,800
Held-for-sale assets and operations		
TOTAL ASSETS	3,344	3,255

Liabilities and shareholders' equity

	2019	2018 restated ^a
at 31 December, € million		
Shareholders' equity attributable to the Group	1,562	1,572
Non-controlling interests	2	3
Shareholders' equity	1,564	1,575
Non-current debt	200	127
Non-current lease obligations	79	85
Non-current provisions	51	41
Other non-current liabilities and taxes	47	43
Non-current liabilities	377	296
Current debt	29	12
Current lease obligations	20	19
Current liabilities	1,351	1,347
Overdrafts and short-term bank borrowings	3	6
Financial instruments - Hedging of debt		
Current liabilities	1,403	1,384
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,344	3,255
NET DEBT (-)/NET SURPLUS CASH (+)	(127)	(28)

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

Condensed income statement

€ million	2019	2018 restated ^a
Sales	2,337	2,288
Net depreciation and amortisation expense	(243)	(213)
Net amortisation expense on right of use of leased assets	(19)	(17)
Net charges to provisions and impairment losses	(34)	(70)
Other income and expenses	(1,786)	(1,789)
Current operating profit	255	199
Other operating income and expenses		(22)
Operating profit	255	177
Cost of net debt/income from net surplus cash	(2)	(2)
Interest expense on lease obligations	(4)	(4)
Other financial income and expenses	(6)	5
Income tax expense	(82)	(49)
Share of net profits/losses of joint-ventures and associates	(6)	
NET PROFIT	155	127
Net profit attributable to non-controlling interests		
NET PROFIT ATTRIBUTABLE TO THE GROUP	155	127

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

HEADCOUNT

At 31 December 2019

—
3,686

HIGHLIGHTS

BROADCASTING

- 84 of the best 100 audience ratings of 2019^a over all age categories; 98 out of 100 for the 25–49 age group^a and all the 100 best ratings for the FRDA<50^b category
- Overhaul of the MYTF1 platform with the aim of offering a better user experience: 1.8 billion videos viewed
- The competent authorities approve, for 2020, the launch of Salto, a French OTT^c platform developed jointly by the TF1, France Télévisions and M6 groups

STUDIOS AND ENTERTAINMENT

- Production: Newen pursued its growth (acquisitions of De Mensen in Belgium and of Reel One in Canada)
- Divestment of Téléshopping

DIGITAL MEDIA

- Launch of Unify Advertising, a media sales unit providing a powerful digital advertising offer complementary to that offered by the group's TV channels

a Source: Médiamat 2019 by Médiamétrie.

b Women under 50, who are purchasing decision-makers.

c Salto is a subscription-based video-on-demand platform – an Over-the-Top service.

2.2.1 Profile

TF1 keeps pace with the way people view and consume content (catch-up TV, enhanced services, and soon Salto^a, a subscription-based video-on-demand service). It has strengthened its presence across the entire value chain 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.).

Growth strategies and opportunities

Pursuing 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^b continues to account for most consumption, "non-linear" content (catch-up TV, etc.) is growing significantly.

In an increasingly competitive environment, the TF1 group's five unencrypted channels^c remain as popular as ever, with 45 million French people watching them every week. 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 preparing for addressable television in which different advertising messages adapted to each television viewer are delivered during the same show (see Chapter 1, section 1.1.4).

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 overhaul of its MYTF1 platform;
- the monetisation of its additional content and services with telecom operators and Canal+, and;
- Salto, a subscription-based video-on-demand service, to be launched very soon.

Consolidating its position in production and accelerating 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 boasts recognised expertise:

- across all genres, from drama to animation, and;
- all ranges, from big-budget productions to controlled-budget productions, thanks to its pool of independent producers and talents. Newen is aiming to boost its backlog, particularly through the diversification of its customer base. It also intends to pursue its international development as underlined by the recent acquisitions of stakes in Belgian (De Mensen) and Canadian (Reel One) companies.

2

DIGITAL MEDIA

TF1's new Unify division will enable 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 boost their effectiveness and regain value in a growing digital advertising market via the launch of the media sales unit Unify Advertising.

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, a leading 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 distribution, both in France and worldwide;
- expertise in the creation and management of powerful brand communities and in digital advertising thanks to strong-potential technologies, and;
- a robust financial structure.

Market position

Television

In 2019, daily TV viewing time^d remained at a high level of 3h 30m for "individuals aged four and over", down six minutes year-on-year. This data does not include mobile consumption on PCs, tablets, smartphones or out of home, which is estimated at over 10 minutes by Médiamétrie.

In a French DTT market comprising 27 unencrypted channels, the group airs, in addition to the 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) and Altice (BFM TV, RMC Découverte, RMC Story).

a An Over-the-Top platform.

b The programme 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.

c TF1, TMC, TFX, TF1 Séries Films and LCI.

d The sum of live + timeshifted + catch-up. Source: Médiamétrie.

It remains the most powerful private player, with an audience share of 27.2%^a in 2019 versus 13.5%^b 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 the gradual shift in television viewing behaviour (more individual and "non-linear"^c consumption enabled by the multiplication in the number of screens), TF1 has successfully overhauled its MYTF1 platform across all media, including IPTV^d, PCs, mobile phones and tablets. The strong growth in the number of videos viewed of 24% year-on-year to 1.8 billion in 2019 is proof of this.

Production

TF1 boasts 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 Endemol Shine, Banijay and ITV Studios, 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).

2.2.2 Business activity in 2019

In 2019, TF1 continued its transformation by reshaping the business model of its core business as well as that of its digital media and TV content production and distribution activities.

2019 results

Growth in sales and current operating profit

The TF1 group posted consolidated sales of €2,337 million in 2019, up €49 million or up 2% versus 2018, due to:

- a €10 million year-on-year increase in sales in the Broadcasting sector, resulting from additional revenue sources alongside advertising. Advertising sales decreased slightly, reflecting a tough comparison base for the TF1 TV channel, offset in part by growth in MYTF1 advertising sales;
- a €19 million decrease in sales in the Studios and Entertainment sector, attributable to the deconsolidation of Téléshopping. Excluding the impact of this disposal, the sector posted growth on the strength of good performances by Newen and the TF1 Entertainment music business and;
- the digital division (Unify), which benefited for the first year from the full effects of its consolidation.

The TF1 group posted current operating profit of €255 million in 2019, up €56 million. The performance reflects an increase in sales and also demonstrates TF1's ability to optimise profitability by adapting the cost structure.

Current operating margin rose year-on-year to 10.9%, meaning that the target of a double-digit current operating margin in 2019 was achieved.

The TF1 group's operating profit came to €255 million in 2019 and net profit attributable to the Group totalled €155 million.

Results by business activity

Broadcasting

Sales for the Broadcasting sector came out at €1,774 million, up €10 million on 2018. The increase can be attributed to additional sales alongside advertising, with the full effect of the agreements signed with the telecoms operators as well as the sale of the rights for the FIFA Women's World Cup to Canal+. Advertising sales decreased slightly in 2019. The advertising sales of the DTT channels (TMC, TFX, TF1 Séries Films and LCI) and MYTF1 rose, but failed to offset the slight fall in the TF1 channel's advertising sales, which in 2018 were favourably impacted by the success of the broadcasts of the FIFA World Cup.

The cost of programmes of the five unencrypted channels amounted to €985 million in 2019, down €29 million year on year.

Current operating profit for the Broadcasting sector was €185 million, for a year-on-year increase of €34 million. Operating margin for the sector has doubled since 2016, reaching 10.5% in 2019.

Studios and Entertainment

The Studios and Entertainment sector posted sales of €390 million in 2019, down €19 million versus 2018, unfavourably impacted by the divestment of Téléshopping. Newen's business continues to develop through international acquisitions (De Mensen in Belgium and Reel One in Canada), leading to a total backlog of over 1,500 hours^e.

a Médiamat by Médiamétrie (consolidated 2019 average). Individuals aged 4 and over.

b Includes Gulli audience figures since September 2019.

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

d Internet Protocol television is the delivery of television content over Internet Protocol networks.

e Number of hours in backlog, net of hours delivered at 31 December 2019 (projects worth over €1 million and not including Reel One, acquired in the fourth quarter of 2019).

Growth in the business activities of TF1 Entertainment, and in particular the Play Two music label, offset the decline at TF1 Studio, which continues to be impacted by the fall in physical video sales.

The sector posted current operating profit of €58 million in 2019, up €22 million year-on-year, owing primarily to an increase for Newen, in line with business growth, and the return to breakeven by TF1 Vidéo, the result of improved cost management in physical video sales.

Digital (Unify)

The sales of the digital division (Unify) totalled €173 million in 2019, up €57 million. The increase can be attributed mainly to the full-year impact of the consolidation of this division.

Unify posted current operating profit of €12 million in 2019, down €1 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 and the recruitment of new talent).

A healthy financial situation

Shareholder's equity attributable to the TF1 group stood at €1,562 million at 31 December 2019 out of total assets of €3,344 million. Net debt was €127 million at 31 December 2019, versus net debt of €28 million at end-December 2018, after factoring in the acquisitions in the Production division (De Mensen in Belgium and Reel One in Canada).

In July 2019, Standard & Poor's confirmed its stable outlook on TF1's BBB+ credit rating.

Business review in 2019

The benchmark television offering in France

TF1 remained the leading^a private-sector television group in France in 2019, with a combined audience share of 32.6% of women aged under 50 who are purchasing decision-makers (stable on 2018) and 29.4% of individuals aged 25-49 (up 0.1 points).

The TF1 TV channel confirmed its leadership position and its unique ability to attract all audiences across all programme categories. In addition to its essential role in broadcasting news and information, TF1 distinguished itself through successful risk-taking, particularly with the FIFA Women's World Cup, *The Bonfire of Destiny* and *Mask Singer*.

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, up 0.5 points year-on-year. TMC confirmed its position as the leading DTT channel and posted a record year in terms of target audiences, achieving a 4.4% share of individuals aged 25-49 (up 0.3 points) mainly through the strengthening of its sports offering and good 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 posted its best year ever with women aged under 50 who are purchasing decision-makers, with a 2.6% audience share. Lastly, LCI cemented its place as France's number-two rolling news channel for the third consecutive year with an average annual 1% audience share^b.

2

Strong growth in the digital business

MYTF1, relaunched in June, now offers the content of the channels in non-linear viewing and a range of free videos on demand with advertising, along with an upgrade to the viewing experience. It posted a record year with 1.8 million videos viewed, for a 24% year-on-year increase. TF1 scored eight of the ten best audience ratings in catch-up, such as with *The Bonfire of Destiny*, *Koh Lanta* and *Manifest*.

2.2.3 Outlook

On 23 March 2020, in a press release, TF1 decided to suspend the guidance disclosed in February until the situation in relation to the Covid-19 epidemic becomes clearer.

a Source: Médiamétrie.

b Individuals aged 4 and over.

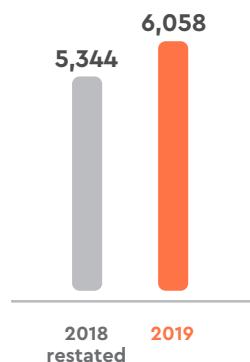
2.3 BOUYGUES TELECOM: BRINGING PEOPLE TOGETHER MORE EASILY

For over 20 years, the teams at Bouygues Telecom have made every effort to ensure that technology brings friends and family closer together, strengthens ties and creates new ones. The vocation of Bouygues Telecom is to provide networks, products and services adapted to the needs of its 22 million customers.

Key figures

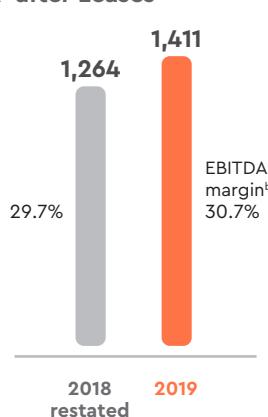
Sales

€ million



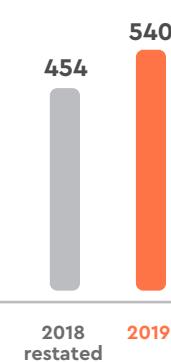
EBITDA^a after Leases

€ million



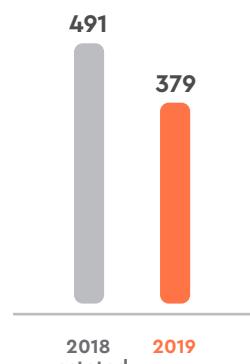
Current operating profit

€ million



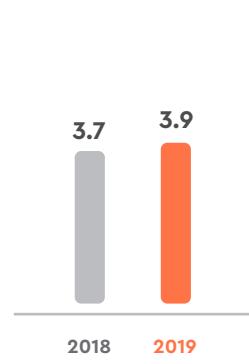
Net profit attributable to the Group

€ million



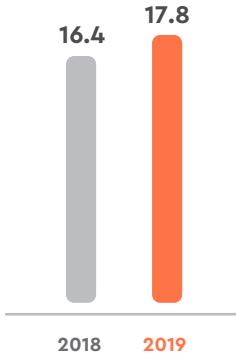
Fixed customers

millions, at end-December



Mobile customers

millions, at end-December



^a Current operating profit before net depreciation and amortization expense, net provisions and impairment losses and before effects of acquisition/loss of control.

^b EBITDA after Leases/sales from services.

Condensed balance sheet

Assets

	2019	2018 restated ^a
at 31 December, € million		
Property, plant and equipment and intangible assets	5,392	5,300
Right of use of leased assets	827	799
Goodwill	79	5
Non-current financial assets and taxes	12	9
Non-current assets	6,310	6,113
Current assets	2,483	2,236
Cash and cash equivalents	47	44
Financial instruments - Hedging of debt		
Current assets	2,530	2,280
Held-for-sale assets and operations		
TOTAL ASSETS	8,840	8,393

Liabilities and shareholders' equity

	2019	2018 restated ^a
at 31 December, € million		
Shareholders' equity attributable to the Group	3,831	3,661
Non-controlling interests		
Shareholders' equity	3,831	3,661
Non-current debt	1,423	1,253
Non-current lease obligations	677	665
Non-current provisions	279	278
Other non-current liabilities and taxes	171	141
Non-current liabilities	2,550	2,337
Current debt	78	61
Current lease obligations	123	140
Current liabilities	2,258	2,189
Overdrafts and short-term bank borrowings		4
Financial instruments - Hedging of debt		1
Current liabilities	2,459	2,395
Liabilities related to held-for-sale operations		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,840	8,393
NET DEBT (-)/NET SURPLUS CASH (+)	(1,454)	(1,275)

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

Condensed income statement

€ million	2019	2018 restated ^a
Sales	6,058	5,344
Net depreciation and amortisation expense	(867)	(821)
Net amortisation expense on right of use of leased assets	(124)	(134)
Net charges to provisions and impairment losses	(35)	(34)
Other income and expenses	(4,492)	(3,901)
Current operating profit	540	454
Other operating income and expenses	70	322
Operating profit	610	776
Cost of net debt/income from net surplus cash	(12)	(7)
Interest expense on lease obligations	(25)	(27)
Other financial income and expenses	(9)	(9)
Income tax expense	(185)	(242)
Share of net profits/losses of joint-ventures and associates		
NET PROFIT	379	491
Net profit attributable to non-controlling interests		
NET PROFIT ATTRIBUTABLE TO THE GROUP	379	491

a 2018 financial statements restated to take account of application of IFRS 16 and IFRIC 23.

HEADCOUNT

At 31 December 2019

8,937

HIGHLIGHTS

- Acquisitions of Keyyo and Nerim to boost the BtoB activity
- Bouygues Telecom is the No. 1 network in rural areas and No. 2 in France for the second year running (Arcep survey October 2019)
- Launch of four additional platforms for testing 5G in France
- Partnership with WeFix to offer customers a simple and cheap smartphone repair solution that will extend the life of their devices
- Employees sign up to environmental initiatives: the zero-waste target, the zero plastic cup operation and waste collection with Surfrider Foundation

2

2.3.1 Profile

Bouygues Telecom is a major player in the French telecommunications market providing BtoC and BtoB connectivity solutions. It rolls out very-high-speed digital technologies, 4G and fibre across France to provide customers with a simple and seamless experience. Bouygues Telecom is set to open its 5G network in summer 2020.

2.3.1.1 Growth strategy and opportunities

Bouygues Telecom is leveraging its key strengths – the quality of its mobile and fixed networks, the excellent value for money of its mobile plans and the commitment of its teams – to roll out a four-pronged strategy.

Provide customers with a simple and seamless experience

Bouygues Telecom has made a sharp customer focus and a simple experience the pillars of its strategy. The operator drives further increases in customer satisfaction by offering:

- intuitive and efficient digitized services, and;
- personalized support from 3,800 customer and sales advisers.

Since its launch in 2018, a company-wide plan encompassing over 200 projects has enabled more efficient responses to demand for uninterrupted connections and service while making the customer experience more fluid (including availability of customer advisors until 10pm, an enhanced "Keep connected" service, customer callback in under 15 minutes, store appointments and more). Bouygues Telecom has also introduced the WeFix solution for rapid smartphone repairs without an appointment.

The operator cultivates its distinctive difference in popular advertising spots centred on the quality of personal relationships and contact with friends and family, further strengthening customer affinity with the brand.

Offer excellent quality fixed and mobile networks

To keep pace with growing use, Bouygues Telecom covers 99% of the French population with 4G thanks to around 22,000 mobile sites. It will have over 28,000 sites by the end of 2023. In less dense areas, roll-out of the shared network with SFR was completed in early 2019. In very dense areas, network capacity improvements are continuing with the addition of 2,000 sites by the end of 2022 (since 2015).

Bouygues Telecom also has a diversified range of frequencies thanks to total investments of around €2 billion. The operator's expertise in network infrastructure enables it to aggregate its frequency bands to offer even faster speeds and improved quality of service. Bouygues Telecom has optimized its network and refarmed its 700, 800, 1800, 2100 and 2600 MHz frequencies to 4G.

French telecoms regulator Arcep is expected to begin auctioning 3.5 GHz frequencies for 5G in the first half of 2020. Bouygues Telecom will take part in this frequency allocation auction in order to:

- add to its range of frequencies, and;
- offer customers more seamless connections and more innovative services.

In October 2019, Bouygues Telecom rolled out four additional 5G trial platforms in the 26 GHz band in order to see what the future possibilities of this technology could be.

In the fixed business, Bouygues Telecom aims to bring the benefits of very-high-speed internet to as many people as possible by accelerating roll-out of its fibre network. At the end of December 2019, it had nearly 12 million premises marketed and is now aiming for 22 million in 2022 (versus nearly 20 million previously). The partnership signed with Cityfast in late 2018 to deploy 3.4 million premises marketed in very dense areas will give Bouygues Telecom access to the entire very dense area by the end of 2021.

Offers and services available in less densely populated areas

By sharing mobile infrastructure and rolling out fibre, Bouygues Telecom can offer its services to new customers throughout France, particularly in its least densely populated regions. It is also planning to gradually bolster its local distribution channels via the opening of new stores in 2020.

Ensure a complete range of fixed and mobile solutions for businesses

The third-ranked BtoB operator in France, Bouygues Telecom acquired Keyyo and Nerim at the beginning of 2019 in order to accelerate its expansion in the market serving micro-businesses, SMEs and intermediate-size businesses. Keyyo sells innovative products and services with digital purchasing processes. Nerim provides its technical expertise in the selling of data networks and website hosting for SMEs.

2.3.1.2 Strengths and assets

Dedicated employees

Bouygues Telecom sustains long-term growth momentum thanks to the performance and commitment of its employees. 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. This strong employee engagement is a major asset that will help Bouygues Telecom drive continued growth and achieve its objectives.

Competitively-priced, quality offers

Leveraging the quality of its 4G network, Bouygues Telecom addresses both segments of the French mobile market. It sells its "Sensation" plans on the premium segment and its "B&You" web-only plans on the SIM-only/no minimum term segment.

In fixed, Bouygues Telecom offers the best value-for-money in the market on both ADSL and FTTH^a networks, and has recently innovated with its Keep Connected promise.

^a Fibre-To-The-Home.

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.

High-quality mobile and fixed networks

The high-quality nationwide coverage of the Bouygues Telecom 4G network gives the company a long-term competitive advantage, enabling it to stand out in an extremely competitive market. In 2019 for the second year running, Arcep ranked Bouygues Telecom the leading mobile telecommunications operator for voice, text and data services in rural areas in France and number two on average for the entire country.

2.3.2 Business activity in 2019

Bouygues Telecom successfully continued its strategy in mobile and fixed in 2019 and accelerated its development, resulting in very good commercial performance and enabling it to achieve its free cash flow target.

2.3.2.1 Business review

The French mobile^c and fixed broadband market^d

The French telecommunications market has experienced sweeping change for several years, impacted by several underlying trends:

- sustained competitive pressure in both mobile – especially for SIM only/Web only offers – and in fixed. Pressure from promotional offers nevertheless declined compared with previous years in both segments, and;
- growing demand for very-high-speed fixed and mobile products and services as customers increasingly consume video and content on demand at home and on the move.

In the fourth quarter of 2019 the French mobile phone market totalled 75.6 million SIM cards, excluding MtoM^e. The market continued to expand, increasing by 3.5% versus the fourth quarter of 2018, thanks to a 2.8% increase in the number of plan customers. The prepaid market contracted by a further 2.9% versus Q4 2018.

Mobile Virtual Network Operators (MVNOs) accounted for 8.6% of the total mainland France subscriber base (including MtoM), which was down 0.1 points versus end-2018.

The number of fixed broadband and very-high-speed subscribers reached 29.8 million in the fourth quarter of 2019 in the French fixed market, representing net growth of 659,000 subscribers year-on-year (up 2.3%), driven by the sharp increase in the number of very-high-speed subscribers, which rose by 26.8%.

2.3.1.3 Market position

Bouygues Telecom only operates in mainland France.

- In a French mobile market^a that totalled 96 million SIM cards at end-2019, Bouygues Telecom was in third position with 17.8 million customers, behind Orange and SFR group, but ahead of Free Mobile and the MVNOs^b. Bouygues Telecom had a 18.2% share of the mobile market at end-2019, 0.3 points higher than at end-2018.
- In a French fixed broadband market with 29.8 million customers at end-2019, Bouygues Telecom ranked fourth with 3.9 million customers, behind Orange, Iliad and the SFR group. Bouygues Telecom had 13.2% of the French fixed broadband market at end-2019, 0.5 points more than at end-2018, and 13% of the very-high-speed market at end-2019, up 1.7 points year-on-year.

2

Bouygues Telecom's commercial results in the mobile market

Mobile services

Bouygues Telecom has renewed its mobile products and services since 2018 to make the customer experience simpler and more seamless. Customers on "Sensation" mobile plans can now contact their operator whenever they like by requesting a callback from a customer relations advisor within 15 minutes or at a time of their choice and can also make appointments in a store. "Sensation" plans are now available with or without the "Smartphone benefits" option, which enables subscribers to purchase or upgrade their handsets at special discounts and also take advantage of extras such as unlimited Internet use on weekends, access to the Cafeyn selection of newspapers and magazines via the Le Kiosk digital newsstand, the L'Equipe sports daily's services and the Pop Culture mobile TV package.

B&You SIM-only/no minimum term plans are now available exclusively via the Web.

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, anytime, wherever they are. To this end, it is continuing to expand its 4G network throughout France. Bouygues Telecom's 4G network covered 99% of the French population at the end of 2019.

Bouygues Telecom continues to actively prepare for the arrival of 5G. Following Lyon and Bordeaux in 2018, four new trials are being carried out in the new 26 GHz band in major French cities. Blazing 5G speeds will enable testing of new services such as:

- augmented reality applications or videochat with mixed reality for BtoC customers, and;
- digitization for businesses and the emergence of high-speed Internet of Things (IoT) for industry.

a Latest data reported by Arcep. "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).

b Mobile Virtual Network Operators.

c Most recent data published by Arcep (the French telecoms regulator) for the "Mainland France" scope.

d Includes broadband and very-high-speed subscriptions. Most recent data published by Arcep (the French telecoms regulator).

e Machine To Machine.

By the end of 2019 Bouygues Telecom had rolled out around 50 new 5G sites.

In 2019 the Bouygues group set up an in-house accelerator called "SmartX_5G" to coordinate initiatives related to 5G and the Smart X ecosystem (Smart Mobility, Smart City, Smart Building, Smart Entertainment), two major technological advances for the coming five years.

Commercial performance

MOBILE CUSTOMERS

Bouygues Telecom's mobile customer base grew by 1.4 million customers year-on-year to 17.8 million customers^a at end-December 2019. Bouygues Telecom gained 653,000 more mobile plan customers excluding MtoM year-on-year, giving it a total of 11.5 million at end-2019.

4G PROVES A SUCCESS

Since the launch of 4G, Bouygues Telecom's customers have developed new mobile internet data consumption patterns. At end-2019 Bouygues Telecom had 10.3 million active 4G customers, representing 89% of its mobile customer base, excluding MtoM, a gain of 1.5 million more 4G customers year-on-year.

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:

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

Bouygues Telecom continued to adapt its fixed broadband offers to evolving market conditions and new customer uses throughout 2019, proposing a broader range of services and content.

The speeds offered with fibre plans also increased. The upload speed with the "Bbox Must" was boosted from 250 Mbit/s to 300 Mbit/s, and the "Bbox Ultym" now offers the fastest speed in the market with 500 Mbit/s, compared with 300 Mbit/s previously.

The availability of customer service advisers until 10pm was welcomed by customers and has been extended to all fixed broadband services in order to honour the promise "available when you are". Fixed broadband customers can also request a callback from an adviser within 15 minutes or make an appointment at a store.

Furthermore, the "Keep connected" promise on fixed broadband offers was boosted by increasing the data allowance on mobile plans from 60 GB to 100 GB, or by the lending of a 4G dongle, whilst customers are waiting for their Bbox to be activated or in the event of a connection outage.

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

Ramping up network roll-out

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

Bouygues Telecom's directly-owned ADSL network covered over 18 million households at end-December 2019 via over 2,300 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 end-December 2019. At year-end 2019, nearly 12 million premises had been marketed in more than 3,840 towns, and a total of 87 administrative departments in France are open for marketing. In late 2018 Bouygues Telecom signed a partnership with Cityfast (an Axione/Mirova consortium) to roll out and operate 3.4 million premises in very dense areas. This will give Bouygues Telecom access to all very densely populated areas in France by the end of 2021, half through joint investments with SFR and Orange, and half through the agreement with Cityfast.

Commercial performance

For the past four years, Bouygues Telecom has consistently performed well in the fixed market, posting a market share of 13.2% at end-2019. Bouygues Telecom accounted for 36.4% of growth in the French fixed broadband market in 2019, attracting 240,000 new customers.

Bouygues Telecom had 3.9 million fixed broadband customers at end-December 2019, including 1.5 million very-high-speed customers, representing 38% of its base. This growth was driven by FTTH, which accounted for 427,000 new customers during the year. At end-2019 Bouygues Telecom had one million FTTH customers. FTTH now represents 25% of Bouygues Telecom's fixed broadband customer base.

Development of new growth opportunities

Business and corporate services

Bouygues Telecom Entreprises ranks third in the corporate services market (SMEs and major accounts) with a portfolio of three million customers, including over 50,000 SMEs and a third of the companies listed on the CAC 40. Over the past five years Bouygues Telecom Entreprises has gained market share in both the mobile and fixed segments. In 2019 the mobile business customer base increased by 11% and the fixed customer base grew by 14%.

To accelerate growth in its fixed and mobile market shares with SMEs, Bouygues Telecom completed its acquisitions of Keyyo and Nerim during the first half of 2019. It will also be able to leverage the FTTO (Fibre-To-The-Office) infrastructure rolled out in very dense areas.

a The number of Bouygues Telecom's customers is always disclosed at the end of the period and net of cancellations, in mobile and fixed.
b Fibre-To-The-Home.

Furthermore, Bouygues Telecom also aims to increase its fixed market share with large companies by:

- leveraging its mobile market share with large companies and intermediate-size businesses^a, and;
- and by developing a large range of innovative solutions in mobile, fixed, internet and the related services (security/digital/cloud) via partnerships.

2.3.2.2 Financial results

Bouygues Telecom posted strong growth in results in 2019.

Bouygues Telecom reported sales of €6,058 million in 2019, 13% higher than the previous year. Sales from services increased 8% to €4,597 million. This increase was driven by growth in the mobile and fixed customer base and the positive impact of price increases during the second half of 2019. Mobile services sales from network increased 5% and fixed services sales from network rose 14% year-on-year.

In the fourth quarter of 2019, mobile ABPU^b came to €19.7 per month and per customer, an increase of €0.50, and fixed ABPU was €27 per month and per customer, versus €25.9 in the fourth quarter of 2018.

EBITDA after Leases stood at €1,411 million, a year-on-year increase of €147 million, resulting from growth in Sales from services. The EBITDA after Leases/sales from services margin reached 30.7% in 2019, up one point year-on-year.

Operating profit stood at €610 million, a year-on-year decrease of €166 million. This decrease mainly reflects the disposal of fewer mobile sites and the cancellation in the third quarter of 2018 of fees paid for the use of 1800 MHz frequencies prior to 2018.

Net profit totalled €379 million, down by €112 million.

Gross capital expenditure amounted to €940 million in 2019, under €1 billion as expected, as a result of the completion of the shared mobile network in the medium dense area.

Bouygues Telecom achieved its target for free cash flow, which totalled €301 million, an increase of €109 million versus 2018.

Net debt came to €1,454 million at end-2019 versus €1,275 million in 2018.

2.3.3 Outlook

See Outlook section on page 21.

2

a Nearly a third of CAC 40 companies and intermediate-size businesses are clients of Bouygues Telecom Entreprises.
b Average Billing Per User (See the Glossary section of this document).

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 2019

HEADCOUNT

188

Sales

€85m

Operating loss

€38m

Net profit

€1,166m

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;
- a mapping of the 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 business segments, in 2014 Bouygues SA produced four compliance programmes relating to Competition, Anti-corruption, 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.

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 special attention to management of the Group, taking steps to encourage dialogue and exchanges of experience between support structures and business segments, motivate staff and 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 Employee share ownership

Bouygues has long been convinced that it is important to give employees a stake in the Group 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.

In 2019 Bouygues' Board of Directors approved a new capital increase reserved for employees. This operation, called Bouygues Confiance n°11, was completed successfully on 20 December 2019 with a total of 25,806 employees, representing 38.93% of those eligible, subscribing (see section 6.2.2 of this document). This once again demonstrates the Group's proactive approach to employee share ownership, which is a core component of its culture and values. Employees currently represent Bouygues SA's second largest shareholder with 19.28% of the share capital

and 25.59% of the voting rights. Since 1995, two representatives of employee shareholders have had seats on Bouygues' Board of Directors.

On 11 December 2019, the Bouygues group won FAS' top employee share ownership award (Grand Prix). The 2019 award was given by FAS (the French federation of employee and former employee shareholders associations), alongside Amundi and LHH-Altedia. It recognises those companies offering their employees long-term and innovative share ownership arrangements.

2.4.4 The shareholding in Alstom

Following the announcement of the plans to merge Alstom and Siemens, Bouygues SA undertook to:

- retain its Alstom shares until the earlier of (i) Alstom's Extraordinary General Meeting called to approve the deal or (ii) 31 July 2018;
- to vote in favour of the deal on Alstom's Board of Directors and at Alstom's Extraordinary General Meeting.

Bouygues fully complied with these undertakings.

- 6 February 2019: the European Commission vetoed the plans to merge Alstom and Siemens.
- 11 September 2019: Bouygues SA, whose stake in Alstom amounted to 27.7% of the share capital, announced that it intended to sell

29,150,000 shares (13% of the share capital) through a placement by way of an accelerated book building reserved for institutional investors.

- 12 September 2019: Bouygues announced the successful sale of 29,150,000 shares, at a price of €37 per share (i.e. a total amount of €1,079 million).

Following this transaction, Bouygues remains Alstom's main shareholder with 14.7% of the share capital. Bouygues SA and Olivier Bouygues remain Board members of Alstom. Bouygues undertook with the banks in charge of the placement to a 180-day lock up for its remaining Alstom shares, subject to certain customary exceptions.

2

2.4.5 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 2019 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.

2.4.6 Financial flows

FY 2019 dividends

In 2019, Bouygues SA received dividends for FY 2018 totalling €1,132 million from its business segments as follows:

Bouygues Construction €219m

● Bouygues Construction	€219m
● Bouygues Immobilier	€171m
● Colas	€175m
● TF1	€37m
● Bouygues Telecom	€180m
● Alstom	€341m
● Other	€9m

Service agreement costs

In 2019, Bouygues SA invoiced its business segments the following amounts under service agreements:

● Bouygues Construction	€20.1m
● Bouygues Immobilier	€3.4m
● Colas	€18.8m
● TF1	€3.5m
● Bouygues Telecom	€9.3m

Trademark licence agreements

In 2019, 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.

2.4.7 R&D - Human resources

See Chapters 1 and 3 of this document.

2.4.8 Other activities

2.4.8.1 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.

2.4.8.2 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 South Korea, China, 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.

2.4.8.3 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.).

2.4.8.4 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 industrialisation 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

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 2018/19

(from 1 April 2018 to 31 March 2019)

Headcount	Sales	Adjusted operating margin	Net profit attributable to the Group	Order intake
36,300^a	€8,072m	7.1%^b	€681m	12,107m^a

a At 31 March 2019

b 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; and costs associated with legal proceedings outside the ordinary course of business.

2

Leading the way to greener and smarter mobility worldwide, Alstom, whose head office is in France, operates in over 60 countries and has 36,300 employees.

At 31 December 2019, Bouygues was Alstom's largest shareholder with 14.7% of the share capital, having sold a 13% stake in September 2019 (see also sections 2.4.4 and 6.1.3.2 of this document).

2.5.1 Profile

2.5.1.1 Context

The railway market is expected to grow by around 3%^a a year between 2018 and 2023, driven by increasing urbanisation, major environmental concerns, the need to reduce CO₂ emissions and continuing global economic growth.

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

Alstom brings together all the know-how of a multi-specialised manufacturer to offer integrated solutions to manage all the components of a rail system (trains, information systems, signalling, infrastructure and maintenance).

Infrastructure

Alstom offers a comprehensive range of sustainable solutions for tracklaying, electrification and the supply of electromechanical equipment.

Integrated systems

The leading provider of integrated urban systems, Alstom offers its customers full-service solutions, whether on the urban transport or mainline market.

a Source: Union des industries ferroviaires européennes/European Rail Industry Association – 2018.

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 all its customers by offering a range of customised services (maintenance, modernisation, parts and repairs, support 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.

2.5.2 Business activity

2.5.2.1 Commercial activity

FY 2018/19 results

Alstom took orders worth €12.1 billion between 1 April 2018 and 31 March 2019. Sales over the same period amounted to €8.1 billion, a year-on-year increase of 10% (11% like-for-like and at constant exchange rates). Adjusted operating profit^a came to €570 million, 44% more than in the previous year, giving a margin of 7.1%. Net profit attributable to the Group amounted to €681 million, versus €365 million in the previous year, including exceptional net income from discontinued operations of €248 million (related to the sale to General Electric of its interests in the three Energy alliances).

9-month 2019/20

Order intake in the first nine months of 2019/20 (from 1 April to 31 December 2019) amounted to €8.2 billion. Group sales amounted to €6.2 billion, an increase of 3% (up 2% like-for-like and at constant exchange rates), versus the first nine months of 2018/19. The backlog at 31 December 2019 reached a new record level of €43 billion, providing strong visibility on future sales.

2.5.2.2 Highlights of the first nine months of 2019/20

- Worldwide Afaq Iso 37001 certification for the anti-bribery management system
- Inclusion in the Dow Jones Sustainability Index (DJSI) for the ninth consecutive year
- Order in Germany for the world's largest fleet of hydrogen trains
- Award to Alstom of Australia's largest-ever train contract, for the manufacture and maintenance of trains for the railway network in Perth
- A consortium between Alstom and Bombardier is awarded the contract to deliver 44 new generation metro trains to Île-de-France Mobilités and RATP. The contract order may be increased up to a total of 410 trains

2.5.2.3 Acquisitions – Partnerships - Investments

On 17 February 2020, Alstom announced the signature of a memorandum of understanding with Bombardier Inc. and Caisse de dépôt et placement du Québec to acquire Bombardier Transportation. Bouygues has expressed its support for the deal and has committed to:

^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; and costs associated with legal proceedings outside the ordinary course of business.

- maintain its stake in Alstom until the Extraordinary general meeting related to the transaction or, at the latest, until 31 October 2020;
- vote in favour of all related resolutions at that Extraordinary general meeting to be held no later than 31 October 2020.

2.5.3 Outlook

The outlook for Alstom is given like-for-like and at constant exchange rates. Projections are made in compliance with IFRS 15 and 16.

FY 2019/20 will be a year of stabilisation, following the exceptional growth in sales and profitability achieved in FY 2018/19.

The business cycle in FY 2019/20 will see the conclusion of major Systems contracts and the continuation of major Rolling-stock projects. As a result:

- growth in sales and profitability will be lower than the average targets set in the AiM plan, and;
- the change in working capital requirement will affect the generation of free cash flow^a.

For 2022/23, Alstom is targeting:

- annual average sales growth of around 5% over the period from 2019/20 to 2022/23;
- an adjusted operating margin^b that should reach around 9% in FY 2022/23;
- a conversion from net profit^c to free cash flow in excess of 80% by 2022/23^d, and;
- a dividend policy with a payout ratio between 25% and 35%.

Alstom will also conduct a disciplined investment and external growth policy to support its development and create value.

2

a Free cash flow generation is subject to usual short-term volatility linked to customer down-payments and milestone payments from customers.

b Including the share of net profit of the Casco joint venture in which Alstom has a 49% stake.

c Net profit from continuing operations attributable to the holders of parent-company equity.

d Free cash flow generation is subject to customary short-term volatility linked to customer down-payments and milestone payments from customers.

STATEMENT ON EXTRA-FINANCIAL PERFORMANCE (SEFP)

3

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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 in the Group's corporate website at bouygues.com or in the CSR reports of certain Group business segments, which can be downloaded 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 impact on ecosystems, better explaining its operations 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 implemented with the help of reliable indicators that are audited on a regular basis for purposes of compliance and continuous improvement.

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

- reducing the negative impacts from its business activities, and;
- increasing their positive effects, mainly through internally developed solutions as well as best practices.

Paying close attention to the impact of its activities on these issues, 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. Bouygues believes its priority is to increase its initiatives in favour of the following SDGs:



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

In 2018, the Group adapted the presentation of its extra-financial reporting to the requirements set forth in the SEFP (Statement on extra-financial performance), following the transposition of the EU CSR Directive. These arrangements have updated the Grenelle 2 legislation, which had been in force in France since 2012. Certain themes from Grenelle legislation, such as that of food waste, are not dealt with in this chapter^b. The Group's existing CSR-related challenges have been merged with the revised requirements, as shown in the following table:

a bouygues-construction.com, bouygues-immobilier-corporate.com, colas.com, groupe-tfl.fr, corporate.bouyguestelecom.fr.

b Given the nature of the Bouygues group's activities, we believe the themes of food waste, the fight against food insecurity and of responsible, fair and equitable nutrition are not major CSR risks for us, and therefore do not warrant further development in this document.

STATEMENT ON EXTRA-FINANCIAL PERFORMANCE (SEFP)
The Bouygues group's corporate social responsibility policy

	Themes	Group CSR challenges	Level of materiality ^a	
			Construction	Media Telecoms
Human resources Section 3.2	Health, safety and well-being in the workplace Section 3.2.2	Ensuring health, safety and well-being in the workplace	■■■	■■
	Employment and equal opportunity Section 3.2.3	Attracting, recruiting and inducting employees while fighting all forms of discrimination through high-quality labour relations	■■■	■■■
	Development of careers and employability Section 3.2.4	Supporting employees throughout their careers by addressing changes in occupational roles and skill-sets early on	■■■	■■■
Environmental impacts Section 3.3	Climate/Energy Section 3.3.4	Rolling out a comprehensive strategy for reducing greenhouse gas emissions and adapting products and services to climate change, in line with public policies	■■■	■
	Use of resources Section 3.3.3	Making the circular economy a driver for transforming building and communications methods	■■■	■■
	Environmental impact of products and services in use Section 3.3.3.2	Helping customers and end-users save energy and make sustainable use of resources	■■■	■
	Environmental externalities Sections 3.3.2 and 3.3.5	Minimising the environmental impact of business activities; biodiversity and ecosystem protection as well	■■■	■
Social impacts Section 3.4	Social impact of completed projects, products and services Sections 3.4.2, 3.4.3 and 3.4.5	Meeting societal expectations in terms of integration, poverty alleviation and service accessibility and conducting dialogue with Group stakeholders	■■■	■■■
	Geographical, social and economic impact Section 3.4.1	Boosting the local foothold of projects and creating sustainable value and sharing it with stakeholders	■■■	■■
Human rights Section 3.2.1.3	Safeguarding human rights along the value chain	Ensuring that human rights and international conventions are upheld in all decisions and relationships with business partners	■■■	■■
Digital technology Section 3.4.4.3	Data protection	Safeguarding business data and customer/user privacy	■■	■■■
Ethics Section 3.4.4	Business ethics	Managing business relations transparently and responsibly	■■■	■■■

a On a scale of one to three, ranging from moderate to very high materiality.

The above summary is based on several analyses carried out within the Group. Because it is active in businesses as diverse as construction, media and telecommunications, the Group faces a wide array of extra-financial risks and opportunities.

Specifically, this work drew on:

- the Group materiality matrix (created in 2016);
- the research contributing to the 2018 and 2017 Integrated Reports;
- risk maps (see Chapter 4 on Risks and risk management), and;
- the recurrent requests from rating agencies and industry analysts.

We applied the materiality concept, whose elements will be disclosed publicly in 2020, to creating a new Group materiality matrix, which will be based on the materiality matrices specific to the construction, media and telecoms businesses.

Consequently, analysis of the CSR risks and opportunities will be progressively expanded to span the entire value chain (core activities as well as the challenges associated with products and services and business relations) and comprehensively cover environmental, social and HR-related matters (including human rights and anti-corruption measures)^a.

The policies and associated indicators are described hereafter. A table correlating the Group's most significant CSR challenges with quantitative indicators is provided in annex on pages 391-393.

^a The themes of tax evasion and fiscal optimisation were covered in meetings between the independent auditor and the Group's tax department at the end of 2019. This theme has not required additional work to date. The Group's tax policy is available on its corporate web site:
<https://www.bouygues.com/wp-content/uploads/2018/04/bouygues-group-tax-policy.pdf>

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. In 2018, it gave a favourable opinion on the launch or continuation of various patronage initiatives of an educational, medical or humanitarian nature. Feedback from the extra-financial statutory audit was also presented, together with findings from the monitoring of Group-wide CSR initiatives. (see section 5.3.5.3 of Chapter 5).
- The Sustainable Development Committee, chaired by Olivier Bouygues (Deputy CEO of Bouygues SA), 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 process.
- Finally, Martin Bouygues presents the most significant sustainable development targets, actions and indicators of the previous year to each Annual General Meeting.

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 Bouygues, Deputy CEO, is responsible for Group-wide sustainable development initiatives. The Group Sustainable Development-Quality Safety Environment (QSE) department works in close conjunction with the Innovation department. One of their key joint achievements – since 2016 – has been the innovation drive focusing on sustainable urban environments and the circular economy. The parent company's Innovation department has made sustainable innovation a strategic priority.

All Group-wide thematic committees systematically consider sustainable development challenges in the context of their own business segments. 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 Communication, Marketing and CSR department (Bouygues Immobilier);
- senior management (Colas and TF1), and;
- the Innovation department (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. The next seminar will take place in 2020, in one of the countries where Colas operates. Additionally, meetings in the field are used to share experiences 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 policies.

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 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).

Bouygues Telecom consulted internal and external stakeholders to assess the most significant challenges facing the company in social, HR-related and environmental matters, with the aim of updating its CSR roadmap and related targets in the coming year.

^a See also <https://www.bouygues-construction.com/en/responsable-et-engagé>.

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. The specific procedures applied for each business segment are provided in the annexes of this handbook. It is available in full on bouygues.com.

Coverage rates of HR reporting indicators in 2019

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

- **Global (1)**, which covers 100% of the workforce. In 2019, 24.2% of indicators had this scope;
- **Global excluding Bouygues Energies & Services Intec, Kraftanlagen, Flexy Moov, Keyyo and Nerim (2)**, which covers 94% of the workforce. In 2019, 17.2% of indicators had this scope;
- **France (3)**, which covers 51% of the workforce. In 2019, 41.4% of indicators had this scope^a;
- **Companies employing over 300 people outside France excluding Bouygues Energies & Services Intec and Kraftanlagen (4)**, which covers fifty-two companies representing 34.7% of the Group's workforce and 71% of the workforce outside France. In 2019, 6.9% of indicators had this scope, and;
- the **France scope plus companies employing over 300 people outside France, Bouygues Energies & Services Intec and Kraftanlagen (5)**, which covers 85.3% of the workforce. In 2019, 10.3% of the indicators had this scope.

The number of reporting scopes is lower than in 2018. All the companies acquired in 2018 were able to report their indicators, except for Bouygues Energies & Services Intec and Kraftenlagen, which only disclosed indicators relating to headcount and the proportion of women within the

Group. Entities acquired in 2019 reported the minimum number of indicators requested.

Environmental and social reporting in 2019

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, and
- 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 2019, the coverage rate of Bouygues Construction's reporting is 85%. The remaining 15% 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);
- Kraftanlagen München and Intec, which have recently been acquired;
- 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;
 - 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, those construction project company/consortium projects in which the stake is less than 30% and the Concessions division (to be consistent with financial reporting).

^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 Réunion Island). Clipperton Island, the French Southern and Antarctic Lands and New Caledonia are therefore excluded.

Bouygues' CSR reporting coverage rate declined in 2019 (-13%) following the acquisition of Kraftanlagen München and Intec, two new operating units of Bouygues Energies & Services. This is because these two operating units were excluded from the 2019 extra-financial reporting. So that they may be included in the next reporting campaign, EY carried out two audits in the summer of 2019, which were able to give the state-of-play regarding the implementation of Bouygues Construction's policies and the definition of a plan to facilitate their assimilation.

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.

Indicator coverage rate for Bouygues Immobilier

Environmental and social indicators cover the full scope of Bouygues Immobilier in France and abroad.

In 2019, at Bouygues Immobilier, the reporting coverage rate as a proportion of sales is 93.3% when overseas subsidiaries (Belgium, Poland and Spain) are excluded. This rate drops to 87% when the French subsidiaries (Loticis, Wojo, Patrignani, SLC and Urbis) are also excluded.

Indicator coverage rate for TF1

TF1's social and environmental indicators do not include the subsidiaries Newen and Unify which represent around 35% of TF1's headcount.

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 – although not covered by this obligation – have decided to publish their own SEFP in order to report in a more detailed manner on the specific nature of their activities. This current statement outlines and ratifies the Group CSR policy in keeping with the new legislation, which has four main 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 - PROMOTING 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).

Because of how, why and where it operates, the Bouygues group's people are its most important resource.

Their dedication is 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.

Bouygues was awarded Top Employer 2019 certification, covering both the parent company (Bouygues SA) and the five business segments, Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom. It is the only French group to obtain this certification for all its businesses nationwide for three consecutive years.

The Bouygues group operates in over 90 countries. At end-December 2019, it employed 130,450 people, spanning a wide range of business activities and expertise.

Headcount by region at 31 December 2019

Scope ^a : Global	Bouygues SA ^b and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
France	443	21,617	1,782	30,981	3,301	8,524	66,648	68,496
Europe (excl. France)	20	13,906	120	10,055	317	384	24,802	24,664
Africa and Middle East	107	5,972	2	6,840	13	25	12,959	12,444
North America	1	1,055		7,734	40	4	8,834	8,707
Central and South America	91	822		520	3		1,436	1,035
Asia-Pacific	75	14,777		907	12		15,771	13,929
International	294	36,532	122	26,056	385	413	63,802	60,779
France + International	737	58,149	1,904	57,037	3,686	8,937	130,450	129,275

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

b o/w Holding company: 188.

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 at **Bouygues Construction** increased by 2% in 2019, primarily reflecting international operations (+3.3%). This was especially the case in Asia (+12.9%). The headcount in Myanmar rose by over 1,000.

At 31 December 2019, total headcount at **Colas** was down 1.7% versus end-2018. This was because it sold Smac, which at 31 December 2018 had 3,411 employees (2,840 in France/French overseas departments and 571 outside France).

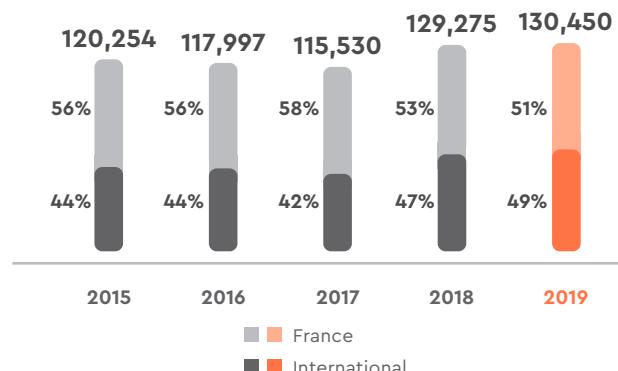
In France, on a like-for-like basis, the headcount was relatively stable. In international operations, the headcount went up by a further 7% following the 13% increase in 2018. This mainly concerned Europe (excluding France), which had the highest proportion of employees outside France (38.6%). Here the 11% increase stemmed from the acquisition of Skanska's road-building activities in Poland (350 employees).

Asia Pacific and Central America/South America also experienced sharp rises in headcount, mainly reflecting activities in Indonesia, Chile and Peru. In the North American operations, there is a high proportion of site workers whose seasonal contracts do not include employment during the winter season.

On a like-for-like basis, the headcount at Colas was up by 4.5%.

The headcount at **Bouygues Telecom** increased because of business expansion in the Networks, Information Systems, BtoB and Digital operations, as well as the ramp-up of Tisséo Services (which installs fibre-optic cables) and the acquisition of Keyyo and Nerim.

Headcount: a growing share of employees outside France



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

The Group believes that trade unions and other employee representative bodies are essential for progressive labour relations, which in turn contribute to its companies' success. Having constant dialogue with these bodies lays the groundwork for constructive relations. High-quality labour relations is a particularly strong point for Bouygues' business segments in their various sectors of activity.

Last year in France, the remaining ESCs^a were set up in every one of the Group's business segments following the signing of a specific agreement. Furthermore, it was decided to increase the number of Health & Safety and Working Conditions committees to keep abreast of issues at the grass roots, irrespective of whether an ESC existed or otherwise. For example, Bouygues Telecom will be retaining a Health & Safety and Working Conditions committee for each regional hub, even though some locations are not required by law to have such committees because their headcounts fall below the threshold.

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 business segments are

supplemented by the Group Council in France (30 representatives from various works councils and ESCs around the Group) and the European Works Council (24 representatives from 12 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. Moves to include three new countries (Germany, Italy and Portugal) were set in motion for 2020 at the most recent European Works Council meeting in October 2019.

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) – 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 related 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 2019, 232 agreements were signed or renewed, underlining the dynamic labour relations within the Group. In total, 52% of these agreements governed labour relations, 30% remuneration, 10% worktime arrangements, 3% quality of life at work and diversity/gender balance, and 5% other issues.

Internationally, labour relations are guided by the rules applicable in the specific countries.

^a Economic and Social Committee.

Lastly, each of the Group's business segments has been required to sign other agreements based on their own circumstances.

At **Colas**, employee representation in the French overseas departments is organised the same way as in mainland France, namely meetings, committees or both, as well as locally negotiated agreements. Labour and management remain in constant contact with each other. This was especially true in Mayotte last year, amid challenging conditions. An Economic and Social Committee will be set up on the island in the near future.

The same principle applied in New Caledonia, where close ties and regular dialogue offset some of the surrounding social tensions.

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

Labour relations are good in all countries of the northern and central Europe region. The main issue in this operating region was again the tight labour market.

At Colas UK, employee representatives meet twice a year at a forum to exchange information.

In northern and western Africa (particularly in Benin, Ivory Coast, Gabon and Morocco), differences in legislation governing employee representation have led management to implement more direct methods for communicating with employees such as notices, memoranda and e-mail. In the context of the strategic plan, information meetings were also held with all managerial staff in these countries last year.

In southern Africa, labour relations – which can be tense in light of the economic conditions – are structured around quarterly meetings with trade unions.

In North America, labour relations are managed with the help of trade unions and industry bodies. Unions are the preferred channel for employee dialogue. The subsidiaries also hold staff information meetings to increase internal cohesion and broach issues such as safety and business ethics.

Coordinating dialogue with employees

The Yammer Bouygues collaborative network is available to all Bouygues group employees with an email address, providing them with access to an open and transparent discussion forum that can be used to stay up to date on Group news and share professional best practices through theme-based on-line communities.

Group senior management uses this tool to communicate en masse with employees (through the "Group newsroom" channel).

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 2019, Bouygues SA, Bouygues Immobilier and Bouygues Telecom each conducted employee perception surveys.

To capitalise on the talent of new recruits and track employee development, the **Bouygues Construction** subsidiary in Morocco (Bymaro) set up a Yammer collaborative group aimed at all employees seconded abroad.

Bouygues Construction's subsidiary in Turkmenistan took the view that it was vital to strengthen dialogue between the CEO and the employees, especially given the sharp increase in the headcount.

- Q&A sessions and networking lunches or dinners were held throughout the year to make space for effective dialogue and ensure that employees understood how the entity worked and explain the various ongoing projects;
- Furthermore, 87% of this subsidiary's employees took part in an employee satisfaction survey in 2019. Employees were able to respond anonymously at any time using voting consoles situated in the workplace. As a result, the teams responsible for the project could track employee perception about the company, including where it is already doing well and where it could do better.

Bouygues Immobilier surveyed its employees' viewpoints as part of the strategic plan, in the second quarter of 2019. This took the form of an internal consultation discussing the following points:

- an assessment of the activity and market positioning;
- analysis of markets, underlying trends and customer expectations, and;
- identifying areas for innovation and new business models that can then be used to inform strategic decision-making.

In 2019, Bouygues Immobilier ran another session of Digital Makers, a programme aimed at speeding up projects. Volunteer employees were asked to team up and put forward value-adding projects that tie in with the strategic priorities.

At **Colas**, progress was made last year in implementing Knowledge Management through the launch of Colas Share, an intranet site hosting 13 expert communities.

In addition, the My Colas employee portal went live at all mainland France entities in the first six months of 2019.

It is available to all clerical, technical and supervisory staff and their managers (some 13,000 employees in total).

At **TF1**, Workplace, a social network, helps build dialogue among employees about best practices, results, projects and the latest happenings, all tailored to each group's interests.

Specific communication initiatives exist in many of the companies controlled by Newen and Unify. For example, focus events are held regularly to keep employees up to date on projects and the company's outlook, or to discuss other business highlights. Film-screening evenings and networking events are also held throughout the year. Aufeminin convenes its employees every second Monday to share the latest news about the company. Newen holds a weekly Q&A session, and My Little Paris holds a similar have-your-say event with management present, every Monday.

At **Bouygues Telecom**, all employees have an opportunity to talk directly to senior management several times a year. This can be about business in general, or events at the company or in the telecommunications sector.

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.

The Group's Code of Ethics and Human Resources Charter, widely circulated internally and available at bouygues.com, remind all employees of its expectations in this regard. 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. It should be noted that, outside France, an employee consultation body exists in the 70% of subsidiaries that have more than 300 employees.

Day after day, **Bouygues Construction** deploys the expertise of its employees in 80 countries. Consequently, the company has a duty to guarantee its employees living conditions that meet clearly defined

standards. The toolkit for setting up worksite living quarters, of which all entities are now aware, is audited by the Group. Another more general toolkit, containing a guide to living-quarter standards, an assessment sheet, a scorecard and the list of standards applicable to subcontractors, has been made available. It is subject to internal audits by the Health and Safety department. The mission of Bouygues Construction's Security department is to safeguard operations (e.g. worksite living quarters) and look after the daily welfare of employees worldwide. In 2019, remedial or preventive measures were implemented at specific sites in the Bahamas, Ivory Coast, Guinea and Hong Kong. Bouygues Construction's security policy is active in all countries where it operates.

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.

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	2019 Group total	2018 Group total
Existence of employee representative bodies in the international activities		64%		77%			70%	67%

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 (excluding Bouygues Energies & Services Intec and Kraftanlagen) are concerned.

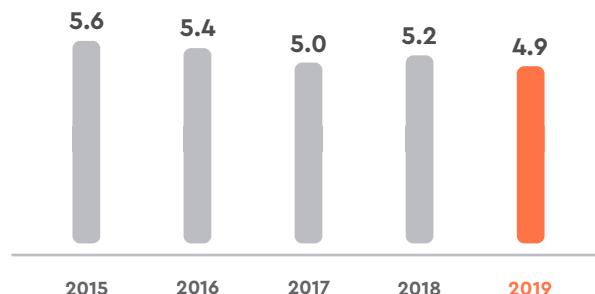
b Coverage rate: 34.7% of the Group's headcount (Scope 4)

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

A DECLINE IN THE FREQUENCY RATE^a



a Number of accidents involving time off work x 1,000,000/number of hours worked. The auditor indicates that it has obtained reasonable assurance for the 2019 indicator.

3.2.2.1 Boosting safety in the workplace

The Group works hard in the area of health and safety, particularly in its construction businesses (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 OHSAS 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 to be vigilant in terms of work safety when operating on Bouygues 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 field, 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.

Bouygues Construction has achieved overall consistency in terms of health & safety internal rules and related initiatives across all its entities, as enshrined in its 12 "fundamental principles".

Health & safety officers meet regularly within a permanent committee to ensure that policy is being rolled out consistently and comprehensively and to coordinate actions.

Special attention was given in 2019 to high-risk activities with the aim of reducing the number of serious accidents. The purpose of this joint action was to implement a full set of "life-saving rules" in January 2020, which will apply to all employees as well as temporary workers and subcontractors within each Bouygues Construction entity. The major risks identified are electrocution, fuel storage and traffic accidents in addition to on-site machine/pedestrian interaction, lifting and handling operations, and working at height.

Each entity organises awareness-raising campaigns and special action days, coordinated centrally to ensure consistency, to target these major risks.

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".

As part of its corporate strategy "Beyond - On the Road to 2023" Bouygues Bâtiment International is focusing prevention on controlling major risks, with the objective of achieving zero high-potential accidents by 2023. It also rolled out the #Safety Act app for tablets and smartphones, providing comprehensive guidelines on health & safety at the company. It is available in the main languages used on its international worksites.

Training modules from the "Safety Leader" course, aimed at instilling basic safety principles and types of behaviour, continued at a sustained rate of two to four sessions per month. In 2019, over 850 employees received this safety training.

The TopSite label (see the Environmental information section of this Chapter) continued to be rolled out after being introduced for the first time in 2018. Based on a new set of internal guidelines, it is being applied to all Bouygues Construction operations. This certification process, which is the same for all Bouygues Construction activities and entities, aims to harmonise the internal labelling process by allowing each entity to set quantitative and qualitative targets to be achieved. A working group made up of people from E-lab (the Bouygues group's research, development and innovation unit) and Bouygues Construction's own RD& Innovation unit is researching several issues such as load handling and reducing exertion during repetitive tasks. Equipment prototypes continued to be developed in R&D, such as the "Zero-G Arm", a self-driving cart and the Exovest. New avenues are being explored, including improving safety through the use of artificial intelligence. Possible applications have been identified, for example SmartVid.io, or digital simulations for training or awareness-raising initiatives. SmartVid.io is a project sponsored by Bouygues Bâtiment International which analyses photos and videos from worksites to assign them a safety score, with the aim of reducing risks. In conjunction with the R&D department, the Equipment division continues to investigate and test hardware and equipment. Its focal points last year were vests connected to carts, virtual reality training on how to drive work platforms, crane simulators and devices to replace 125mm grinders.

Similarly, Bouygues Construction continued to implement its policy of removing ladders, stepladders and step stools in almost all of its operations. Where this is not applied (maintained-occupancy sites and certain clearly identified activities), specific risk assessments are conducted and appropriate protective measures taken. Safety culture audits are now carried out on the sites run by all of Bouygues Construction's operating entities, in conjunction with the ICSI^a. At Bouygues Bâtiment France Europe, on-site checks are carried out within each operating entity by teams and Safety officers to ensure the health & safety standards are complied with and to identify best practices, which in turn breaks down silos.

Health & safety policy at the worksites, quarries and plants operated by **Colas** is built around four priorities:

- respect for rules;
- training and informing;
- a safety-first approach to project and process design, and;
- follow-up of action plans.

Significant actions in 2019 included the following:

- OneSafety, launched in conjunction with DSS (DuPont Sustainable Solutions) at pilot subsidiary Colas Centre-Ouest in January. All managers, from the CEO down to team leaders, were coached in key management skills and how to adopt a collaborative approach when discussing safety with their teams. The scheme will continue to be rolled out at Colas Rail and the other French road-building subsidiaries in 2020 and 2021;

^a French industrial safety culture institute.

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- the roll-out in Canada of the Goal Zero process, which is already in place in the US, in partnership with Caterpillar Safety Services;
- the Safety Culture programme launched at Spac together with ICSI;
- Safety Culture days in mainland France for all newcomers. Over 1,900 employees received such training in 2019;
- virtual-reality training on crushing-related dangers as part of the health & safety days for newly hired employees, and;

- hazard-avoidance projects, including a project with Volvo Construction Equipment whereby operators are alerted if a pedestrian enters a danger area close to machinery. The pedestrian also receives an audible warning. This system uses artificial intelligence to recognise when people are present. Other projects are also being trialled.

Training is provided to **TF1** employees whose jobs involve travelling or working in high-risk countries. Apps have been installed on their smartphones so they can send alerts if they find themselves in danger.

Workplace accidents

Scope ^a : Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Frequency rate ^b of workplace accidents among staff	5.14	3.59	3.15	6.19	3.39	5.46	4.88	5.18
Severity rate ^c of workplace accidents among staff	0.13	0.27	0.04	0.38	0.12	0.32	0.32	0.36
Number of fatal accidents among staff ^d				3			3	11

a coverage rate: 94% of the Group's headcount (Scope 2).

b Number of accidents involving time off work x 1,000,000/number of hours worked. The auditor indicates that it has obtained reasonable assurance for the 2019 indicator.

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

d The auditor indicates that it has obtained reasonable assurance for the 2019 indicator.

Indicators tracking the Construction businesses showed a decline in the frequency rate.

At **Colas**, the workplace accident frequency rate fell sharply relative to 2018, dropping from 6.67 to 6.19. This marks the best performance ever achieved by Colas. The severity rate also improved significantly, decreasing from 0.46 to 0.38. Sadly, there were three fatal accidents, following which updated instructions were issued during "Safety pause" briefings. These are meetings between managers (foremen, quarry managers) and their teams held to provide support to employees following a fatal accident on a worksite or production unit.

3.2.2.2 Working with temporary employment agencies and subcontractors

In France, the HR, Purchasing and Health & safety departments at **Bouygues Construction** convene representatives from tier-one temporary employment agencies in the first quarter of every year to disclose on key indicators, safety results and areas where progress can be made.

In 2019, when signing contract extensions with these companies, Bouygues Construction at the same time updated its health & safety roadmap. This included imposing stricter requirements regarding the wearing of personal protective equipment on worksites. Bouygues Construction has also set new pre-service training requirements and supplemented existing health & safety requirements with a condition giving precedence to those with specific PASI (temporary worker safety passport) training for temporary construction workers. The target is that every temporary worker will have followed by this training in 2020.

A recommendation on similar issues is currently being added to the contract extension agreements signed by tier-two temporary employment agencies.

Concerning the service providers that Bouygues Construction used in 2019:

- the service agreements contain health & safety clauses that they agree to comply with;

- where required, subcontracting agreements entered into by operating entities with regard to their projects and worksites contain health & safety provisions adapted to the particular circumstances, and;
- subcontractors deemed "sensitive", i.e. those most exposed to regulatory risks, are now notified about health & safety issues through the CSR Charter.

Bouygues Bâtiment France Europe continued the initiative it launched in 2018, working alongside its subcontractors in the areas of organisation, secure handling and access to workstations, which has now been rolled out across its subsidiaries. As a result, from the consultation phase, all partners can be involved in optimising worksite logistics and determine well in advance which resources to assign and which to share.

With its business partners, 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.

At **Colas**, in France last year, a working group of health & safety officers and legal experts was formed to draft a reference guide on accident prevention. This includes:

- safety training;
- safety induction at branches and worksites, including a traceability system;
- definition of and specific training for high-risk jobs.

Within the road-building division in France, the PASI^a scheme (an initiative of the EGF-BTP^b) provides a way for companies to recruit only those temporary workers who have received this specific safety training. PASI training is valid for ten years.

The other national operations that use temporary employment, such as Australia, Belgium, Denmark, the UK, Ireland, Slovakia and Switzerland, have set up internal prevention procedures.

3.2.2.3 Protecting health in the workplace

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 than minima under the law (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. Since 2018, extra services have been offered, designed to facilitate the following:

- healthier living (coaching to prevent backache, stop smoking, deal with stress, etc.);
- healthcare access for employees and their families through a free 24/7 remote medical consultation service reachable from France and abroad, and;
- an on-line service (deuxiemeavis.fr) through which patients with a serious, rare or debilitating illness can obtain a second opinion from leading medical consultants.

In 2019, the Hospiway service was launched, designed to help employees prepare for treatment by helping them find the right hospital or clinic and budget for the expenses.

It should be noted that 100% of employees working in non-French entities with over 300 employees already have benefits.

Furthermore, all business segments aim to forestall psychosocial risks (through surveys, early warnings and management training in best practices). One example is Bouygues Immobilier's BI Well stress-prevention plan. Bouygues Bâtiment France Europe has set up a network of "guardian angels" available to listen to and counsel employees in difficult situations and work with them to find solutions. In 2018, this initiative received the prize for the most original idea at Bloom at Work's workplace well-being awards.

For several years, an ergonomics initiative within **Bouygues Construction** has worked to reduce the level of arduous work in production-related professions. The policy now incorporates support services as well. The Ergonomics unit, part of Bouygues Construction's Health & safety department, provides expertise to operating units and supplements the work of the Health & safety officers.

The 2019-2021 Health Plan, which applies to all Bouygues Construction entities, has four pillars:

- ease of use and working environment;
- work/life balance;
- physical and mental health monitoring, and;
- work organisation.

In 2019, the Ergonomics unit focused on accidents related to manual handling, with the aim of defining rules for the implementation of storage and handling plans on worksites. Bouygues Construction uses ergonomic criteria when selecting equipment as part of a move towards standardisation. In 2019 it documented all the power tools and equipment in use. Ergonomists have been included in working groups convened to design a new form panel and floor formwork. R&D has a focus on ergonomic analysis that makes use of virtual reality, and on manual handling. The new Ergo'App database enables managers to:

- identify ergonomic solutions adapted to working environments and related constraints;
- to create an ergonomic score for each piece of hardware or tool;
- view user comments and reviews.

On worksites and in workshops, Bouygues Construction is boosting storage and storage-related logistics, drawing on Lean management techniques.

In France, Bouygues Construction runs Ergo'Training campaigns to teach employees the basics of ergonomics and show them how to avoid musculoskeletal disorders, delayed risks and aggravating factors. Workshops were again held on worksites to show employees how to stay healthy. Ergonomics training, for both employees and health & safety officers (who are trained in prevention methods), is now provided at most international sites, in several countries, focusing on diagnostics, action proposals and team awareness-raising.

It is now Bouygues Construction's regular practice to introduce pre-work warm-up exercises in small structures to meet the needs of small teams, especially within Bouygues Energies & Services.

Bouygues Construction has strengthened its corporate policy on fighting addictions, which is incorporated into the internal regulations of each operating unit (OU) based on a common template. To help the implementation process, internal regulations have been supplemented with five testing/control procedures.

Ensuring a common core of employee benefits outside France

A review of employee benefits, healthcare coverage, death and disability 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 death and disability 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 that Bouygues' best practices are at least on the same level as a panel of benchmark companies. As a first step, our efforts will be focused on providing a minimum death coverage (all causes), from 2020, equivalent to 1.5 years of basic gross salary, which is on top of the legally required sum.

a "Passeport Sécurité Intérimaire" (temporary worker safety passport).
b The association for French construction and civil works companies.

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Out of fairness and because office workers need to set an example, test campaigns cover all head office and branch employees, as well as employees in worksites, workshops and production sites.

Colas last year continued implementing specific health-related initiatives, including two schemes to protect against musculoskeletal disorders:

- training on how to avoid risking health through physical work and;
- providing "ExoPush" exoskeletons to help reduce strain for asphalt paving teams. Over 90 units have been introduced in France, Australia, Belgium, Denmark, central Europe and Switzerland. These exoskeletons were designed jointly by engineers, workers and Colas experts to help those workers laying the asphalt. This improves working conditions because they can work in a more upright position and exert themselves less, leading to a lower heart rate. Improvements are being made regularly to the exoskeletons based on feedback from users.

Last year Safety Week focused on noise-related hazards and hearing protection, which must be worn at all times on worksites (construction sites, quarries and plants). This Safety Week ran at all Colas sites worldwide, covering a headcount of 60,000. 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 and specific posters. The purpose of the campaign was to remind all employees that:

- exposure to noise above 80 dB(A) is dangerous;
- noise has harmful effects on the human body, and;
- hearing loss is irreversible.

Colas operates policies to prevent chemical hazards at work, covering bitumen and ultraviolet radiation, dust, solvents and asbestos.

At **TF1** (excluding Newen and Unify), a committee to monitor long-term sick leave has been set up in conjunction with Human resources departments, the Disability Task Force and the occupational health expert, aimed at studying a full range of measures for keeping people in work or encouraging them to return.

Bouygues Telecom is making the IT used by customer relations employees more user-friendly by incorporating artificial intelligence that provides helpful user tips. New features have also been added to help employees find their way around the systems. This helps to reduce psychosocial risks, such as cognitive overload.

Number of employees with a recognised occupational illness

Scope ^a : France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Number of employees with a recognised occupational illness ^a	80			120	5		205	217

a coverage rate: 51% of the Group's headcount (Scope 3).

The indicator is specific to France and thus excludes international data.

Absenteeism

Absenteeism rate^a

Scope ^b : France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Absenteeism rate ^a	1.1%	3.5%	1.9%	4.9%	2.4%	4.5%	4.2%	4.3%

a Permanent staff.

b Coverage rate: 51% of the Group's headcount (Scope 3).

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 fell for the fourth year running. The rate was lower than the national private sector average of 5.10% in 2018 (Ayming Barometer).

At **Colas**, the overall rate was 4.9%, breaking down as follows: 6.4% for site workers; 3.9% for clerical, technical and supervisory staff; and 1.8% for managers.

Number of days off work as a result of a workplace accident^a

Scope ^a : Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Number of days off work as a result of a workplace accident	98	29,453	119	42,086	649	4,126	76,531	83,332

a coverage rate: 94% of the Group's headcount (Scope 2)

3.2.3 Employment and equal opportunity

3.2.3.1 Attracting and recruiting future talent

In January 2020, trade magazine *L'Usine Nouvelle* ranked Bouygues fourth in its list of the 100 most active recruiters in France.

10,636
new hires in France in 2019

This underlines that 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. These units aim to support line managers and HR managers in achieving their ambitious recruitment goals. To do this, they make use of new digital resources to detect experienced professionals. In addition, the Bouygues group's business segments proactively recruit young graduates, creating gateways between the corporate world and leading academic institutions, both in France and abroad. This involves the Group's business segments reaching out via digital channels (such as social media and job boards) and prospecting on the ground (through job fairs and university forums), while, as far as possible, ensuring they have a common presence in all these areas.

All of the Group's job offers can be accessed from bouygues.com, which helps publicise the opportunities on offer from each business segment. At any given time, more than 1,000 job openings are available, both in France and abroad.

One of the main factors behind the Bouygues group's drawing power as an employer is that it has close relations with educational establishments and operates a sponsorship scheme to help attract future graduates.

The Group's business segments have particularly strong ties with CentraleSupélec, offering its students career opportunities in several different lines of business.

The aim of this sponsorship is to forge ties with students right from their first year by promoting the Group's brand and the opportunities on offer at its companies. This, in turn, aims to prepare a strong pool of interns and graduates for the future. The three-year sponsorship scheme offers regular events and an individual coaching programme supporting students in their chosen career path.

The policy for hosting students operated by Group companies in conjunction with universities and other higher-education institutions gives

students and graduates access to internships as well as to hiring opportunities.

This policy has paid off. Bouygues Construction, Bouygues Immobilier, TF1 and Bouygues Telecom were all listed in the 2019 Happy Trainees rankings of companies where interns and those on work/study contracts are most satisfied.

For the Bouygues group as a whole, employer brand initiatives help promote the Group and increase the appeal of some of its most promising activities amongst students.

- **Bytech:** in 2019, Bytech (the Group's IT and digital community) came up with a project to bring together the business segments for joint hiring and communication initiatives at fairs, forums and on social media. At Viva Technology 2019, this umbrella brand (Bytech) was promoted to attract applicants to join a community of 1,800 IT personnel.

- **Opportunity:** for the first time in 2019, a Group-wide initiative entitled Opportunity brought together HR and line managers from all business segments to take part in a job dating^b initiative.

- The first day was reserved for Group employees and featured coaching workshops and assessment interviews, among other things.
- The second day, devoted to students, led to over 500 internships or work/study contracts being offered.
- A massive publicity campaign, conducted in higher-education institutions and on social media, led to 500 face-to-face interviews at the event venue (Challenger, the head office of Bouygues Construction), enabling students to discover the variety of professions and career opportunities on offer within the Group.

"Will you be the 1,000th work/study apprentice?"

Bouygues Construction has used this question as a hook line to attract future apprentices. In May 2019, its entities ran a large-scale event that they themselves had designed, pulling in 1,200 people at four different locations in France. Backed by a massive social media campaign, Bouygues Construction has reiterated its commitment to inducting and training students in all its professions, across all regions and to all levels of training.

In addition to initiatives to attract new talent, Bouygues Construction is working to improve staff retention and strengthen loyalty among its current employees. The "ByCup" day focused on the special relationship between mentors and interns or people on work/study contracts. This event provided an opportunity to thank mentors for their involvement, deemed vital for imparting skills and the Group's values.

In 2019, Bouygues Construction's Moroccan subsidiary (Bymaro) took part in the "Solar Decathlon", a competition bringing together groups of students tasked with designing and building a house that harnesses new

^a Job interviews conducted in a very short period of time.

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sources of energy. Bymaro acted as sponsor and provided the students with coaching and materials as well as getting some of the entity's site workers involved in the event.

Bouygues Construction's subsidiary in Turkmenistan last year visited architectural and engineering schools in Turkey, Russia and Kazakhstan to attract talent from the region.

The Talent Acquisition unit set up by **Bouygues Immobilier** aims to support line and HR managers with their recruitment drives. To do this, they make use of new digital resources to reach out to experienced professionals working in property development.

Concurrently, the 2019 Graduate Programme was launched. This comprehensive scheme is designed to produce a pool of home-grown talent. It lasts 18 months and admission is highly selective.

In France, where business trends have been improving for **Colas** since 2018 (especially in the Paris region, through the Grand Paris Express projects), recruitment must be calibrated to meet the needs of construction projects and demand for operational and support staff.

Colas has forged ties with engineering schools, university technology institutes and other two-year higher education programmes in civil engineering and civil works, as well as institutions like Centre d'Egletons, a training school for civil-works professions. Last year, it also introduced and continued various schemes to promote its employer brand such as a school ambassador scheme (consisting of male/female duos), after-work events and sporting tournaments.

In March 2019, Colas sponsored the ESTP^a graduation ceremony and entered into new partnerships with ENPC^b, Ensam^c, Centrale Lyon and ESITC^d Paris. The November higher education forum, held at Colas' new Paris headquarters, was a resounding success. In addition, the subsidiaries hold regular worksite visits and visit schools in their local areas.

In 2019, Colas continued three major employee advocacy^e programmes internationally to encourage its employees who are active on-line to raise the profile of its brand messages and share job offers on professional networking sites:

- "Follow-Me", a programme providing tailored support on LinkedIn for managers in and outside France;
- Roadshows, which encourage business-unit managers and executives to share their brand messages on professional social networks. Last year also provided an opportunity to extend roadshow training to all employees with access to Colas Campus. This took the form of two video e-learning modules teaching employees how to develop their personal brand on LinkedIn;
- "BuzzClub", a mobile-based social sharing platform open to support departments and recent graduates, providing a channel for employee referrals.

Colas also has a partnership with Yaggo, a job-application platform that manages contact with candidates:

- ensuring a 100% response rate to applications received;
- establishing a personalised relationship, both when responding to applications and when keeping track of applicants with potential.

Lastly, to strengthen its brand among potential applicants, Colas again ran its innovative advertising campaign, "My Job Story", which shows employees' commitment to their jobs through video stories that showcase the various professions that exist at all entities, both in France and abroad.

In 2019, Colas ran a campaign promoting the "Tour de France" recruitment programme with the aim of boosting its appeal and providing applicants with greater insight into the induction process at Colas. Young people completing or who had recently completed the induction process were able to tell their stories. In addition, the application process was updated to include video interviews so that applicants could introduce themselves and state personally why they wanted to join the group – from wherever they were in the world.

TF1 (excluding Newen and Unify) has forged partnerships with business schools, specifically Essec^f, where it sponsors the Media & Digital chair, and Edhec^g, through the "Explora" programme. TF1 also runs the #MonStageChezTF1 scheme, thanks to which 14 and 15-year old school students can find out about its professions and activities during a week-long placement.

At **Bouygues Telecom**, the rate of external recruitment increased in all parts of the organisation. Business development is fuelling the intake of extra staff, especially for rolling out fixed-line BtoB solutions.

To keep up with this brisk growth, the Talent Acquisition unit, assisted by HR operational staff, is focusing on the expertise required to fill shortages, such as in security, development, IS architecture and networks, radio and FTTH^h, service platforms, marketing and digital. This unit has implemented extensive resources for this task, such as new job boards, targeted campaigns featuring paid ads on Indeed, as well as the LinkedIn Talent Pipeline and an employee referral system.

In 2019, Bouygues Telecom launched the first year of its engineering graduate programme, which over 18 months provides experience in several areas of the company. It has also strengthened ties with institutions with which it has long-standing relationships (e.g. sponsoring an IOTⁱ major at CentraleSupélec) and set up an "Architecture and Intelligence for Networks" chair in partnership with Télécom Sud Paris.

a École spéciale des travaux publics, du bâtiment et de l'industrie.

b École nationale des ponts et chaussées.

c Arts et Métiers ParisTech.

d École supérieure d'ingénieurs des travaux de la construction.

e Corporate strategy to encourage employees to become true ambassadors of the brand to the outside world, especially through the use of social media.

f École supérieure des sciences économiques et commerciales.

g École des hautes études commerciales.

h Fibre-To-The-Home.

i Internet Of Things.

Recruitment and departures

External recruitment by job category

Scope ^a : Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
France	93	3,009	430	3,847	786	2,471	10,636	10,944
Managerial	65	1,071	234	580	425	560	2,935	3,232
Clerical, technical & supervisory	28	1,292	196	985	361	1,911	4,773	4,652
Site workers		646		2,282			2,928	3,060
International		15,655	17	18,610	122	307	34,711	29,028
Staff ^b		3,614	17	3,530	122	307	7,590	6,793
Workers ^c		12,041		15,080			27,121	22,235
France + International	93	18,664	447	22,457	908	2,778	45,347	39,972

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).

3

The hiring trend remained brisk in France and increased sharply internationally (+20%).

Recruitment rose sharply at **Bouygues Construction**, especially in the Asia-Pacific region, Myanmar and Turkmenistan.

In 2019, new hires by **Colas** remained stable overall compared with 2018. Recruitment of site workers was stable in France but attained a high level in international operations. In North America, Africa and Asia, hiring levels vary widely, mainly due to seasonal factors.

The increased headcount at **TF1** was due to the consolidation of Unify and its subsidiaries.

Number of departures

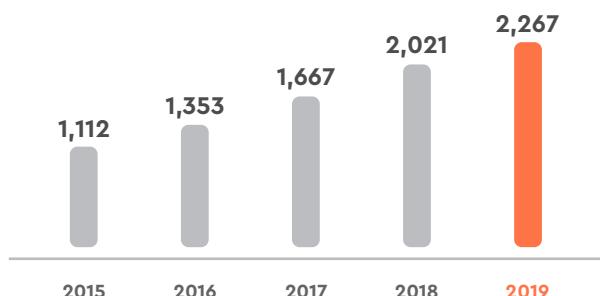
Scope ^a : Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Number of departures (all types of contract)	90	16,890		485	19,679	846	2,164	40,154

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

Indicators available at bouygues.com: Reason for departure (France), Staff turnover (France).

The large number of departures is mainly attributable to trends in activity and, in the international operations, to single-project contracts.

Work/study: a sharp increase in intake



Work/study training contracts

Scope ^a : France	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Number of apprenticeship contracts during the year	1	411	61	566	69	112	1,220	982
Number of professional training contracts during the year	8	182	71	261	172	353	1,047	1,039
TOTAL	9	593	132	827	241	465	2,267	2,021

a coverage rate: 51% of the Group's headcount (Scope 3).

The indicator is specific to France and thus excludes international data.

All Group entities promoted the use of work/study contracts, the number of which rose 12% relative to the previous year. Use of work/study contracts underlines the Group's dedication to helping young people enter the world of work.

3.2.3.2 Develop a remuneration policy rewarding individual and combined efforts

The 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. The remuneration policy rewards people when personal and team targets have been met or surpassed. 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 geographical areas.

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 life insurance.

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.

54,400 employee shareholders

Additionally, employee-savings incentives (e.g. company savings and collective retirement savings schemes) are regularly supplemented by reserved capital increases for employees, such as the Bouygues Confiance n°11 plan in 2019. Bouygues is the CAC 40 company with the highest level of employee share ownership, and, in 2019, was awarded the top prize from FAS^a in this area. Internationally, company savings arrangements similar to the French system are available in some countries. In the UK, Bouygues Construction offers "ShareBY" and Colas UK offers the "Colas UK Share Incentive Plan". Similar arrangements exist in Switzerland and Hong Kong.

In 2019, **Bouygues Construction** continued developing its Global HR system by incorporating new companies from outside France, especially in relation to pay review management. Global HR can also be used to track remuneration indicators and the careers of employees in key positions. Some 37,800 employees are covered by the pay review system within Global HR, representing a coverage rate of 63.27%. In 2019, a further 2,144 employees were added to the pay review.

The policy at **Colas** is applied through the annual guidelines issued by senior management, which take into account the economic environment, inflation, the job market and wage negotiations with employee representatives. It keeps remuneration aligned with responsibilities, ensures equal pay, and includes measures for young people, talent management and promotions. The policy, which aims to reward achievement, is applied at an individual level.

The variable remuneration policy applied by Colas is based on the overall performance of all its entities in France and around the world. The amount paid out by subsidiaries is based on three criteria:

- the results of the entire Colas group;
- the subsidiary's results, and;
- individual performance.

Variable remuneration for executives and managers takes more account of entity business performance and personal goal attainment than for supervisory staff.

A profit-sharing agreement was renewed on 6 June 2019. This group-wide agreement, first introduced in 2010, is based on a combination of two inseparable performance criteria (one financial and the other safety-related). Both criteria have been reviewed but the main changes involved safety considerations, which now include the accident frequency rate –for consistency with the new "Dupont de Nemours" framework in force at mainland France operations. The agreement will be applicable to 2019, 2020 and 2021.

Ensuring fair pay

Decisions on pay are made by all parties involved: local management, the HR manager, employee representatives and senior management.

Internal wage levels are analysed throughout the year by business line to ensure equal treatment, especially regarding equal pay for women and men.

The remuneration systems of all business segments factor in performance criteria linked to results and potential.

Research into pay levels is regularly conducted by the five business segments. Where necessary, policies are adapted to reflect the specific features of each profession, profile and region.

In France, reference is also made to a database containing the pay levels of managerial employees throughout the Group's business segments. For example, TF1 relies on findings from the "General Industry", "Media" and "Executive" surveys carried out by Willis Towers Watson.

Bouygues Immobilier participates annually in Aon's national pay survey covering property development industry professions in France. Once again, last year's survey showed that overall remuneration at Bouygues Immobilier was in line with the market.

In the US, **Colas** uses local pay surveys, given the regional differences between its units in western states (Alaska, California, Colorado), central states (Arkansas, Illinois, Missouri, Nebraska, Ohio, South Dakota, Wyoming) and eastern states (Florida, Georgia, New York State, Pennsylvania, South Carolina, Virginia). Accordingly, employees are paid at levels in line with the local market.

In Canada, Colas sets pay levels according to local collective bargaining agreements. For unionised employees, pay is set through the collective bargaining arrangements applicable to their businesses.

In northern and central Europe, pay policy and employee benefits are coordinated in line with general policy at Colas. With full employment set to persist for at least another two years, pay is a strategic issue.

A salary benchmarking exercise is undertaken each year to assess the company's market position. Pay discrepancies are eliminated with the aim that wages are kept in line with the market and talent can be retained.

In Africa, subsidiaries in Benin, Ivory Coast, Gabon and Morocco rely on a market benchmark produced by Mercer for each country, as well as applying best practice. Each reviewed their remuneration process and position, making it easier to assess, guide and retain employees and to hire new talent, attracted by the fairer rules for rewarding performance. A performance review was undertaken for all managers. A similar exercise is under way for clerical, technical and supervisory staff.

In southern and eastern Africa (South Africa, Kenya, Namibia and Zambia), salaries are increased in accordance with local collective bargaining agreements.

Ensuring systematic feedback

The Bouygues group appraisal process contains a section dedicated to systematic detailed feedback sessions carried out by the manager during interviews with each employee that they are responsible for.

Employees of Bouygues Immobilier, TF1 and Bouygues Telecom also have access to a personalised digital document summarising total benefits, i.e. salary and other advantages.

In 2019, **Bouygues Telecom** put in place extra support for managers by providing training about the various pay components. In the first quarter last year, 230 managers of department-head grade or higher were trained in this way. In the final quarter, some 700 local managers received this training.

a French federation of employee and former employee shareholders associations.

Average annual gross salary in France by job category^a

Scope ^b : France €	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier ^c	Colas	TF1 ^d	Bouygues Telecom ^e
Managerial	83,476	60,512	71,218	63,316	68,639	61,756
Change vs 2018 ^f	0.7%	2.2%	0.4%	1.9%	-5.1%	-0.5%
Clerical, technical & supervisory	43,221	33,271	34,082	38,492	39,294	27,217
Change vs 2018 ^f	9.7%	1.1%	4%	3.1%	-3.8%	-0.8%
Site workers		28,715		27,701		
Change vs 2018 ^f		1.7%		2.3%		

a Permanent staff.

b coverage rate: 51% of the Group's headcount (Scope 3).

c Excluding sales staff.

d Including journalists.

e Including customer relations advisers.

f Change calculated based on average wages in the previous year.

Indicators available at bouygues.com: Total gross contribution by employer to the company savings scheme (France), Total gross contribution by employer to the collective retirement savings scheme (France), Total amount of profit-sharing (paid in 2019 in respect of 2018) and Percentage of employees promoted (France).

At TF1, the decrease can be explained by the inclusion of employee salaries from Unify, which were below the previous TF1 average.

Benefits granted to employees

€ million	2019	2018 restated	2017
Net profit	1,320	1,450	1,201
Cost of employee benefits excluding dividends	203	203	209
Profit before costs associated with employee benefits	1,523	1,653	1,410
Cost of employee benefits including dividends	(327) ^a	(280)	(281)
Dividends payable to non-employee shareholders for the year	(965) ^a	(633)	(601)
Appropriation to reserves	231	740	528

a Includes €342 million of exceptional dividend.

The net residual balance of 2019 profits after employee benefits and distribution to shareholders represents an amount of €231 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	2019 Group total	2018 Group total
Women	24.6%	19.6%	51.2%	10.8%	56.1%	39.7%	18.7%	18.4%
Men	75.4%	80.4%	48.8%	89.2%	43.9%	60.3%	81.3%	81.6%

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.



The Bouygues group firmly believes that gender balance fosters creativity and cohesion, thereby significantly improving performance and accelerating the Group's transformation.

The Group's workforce counts more men than women, given the predominance of its construction businesses. Hence Bouygues operates a proactive gender balance policy, with a view to closing the gap, especially for jobs where they are currently under-represented. Bouygues last year launched its 2020 "Group gender balance" plan, which includes quantitative targets in terms of recruitment, promotions and career development.

The results from 2019 show that the increase in the proportion of women in the Group's headcount has been insufficient. Fresh measures will be carried out in 2020 to bring us closer to our target. These include raising awareness amongst the Executive Committees of the business segments in France and abroad and bolstering recruitment campaigns in order to attract more women to our activities and retain them (mentoring programmes, expansion of mixed and women's networks within the Group, equal opportunities, fighting gender stereotypes).

To fight against gender stereotypes, a campaign highlighting everyday sexist attitudes, using humorous cartoons by Antoine Cherreau, was run at Group level, then in each business segment starting in March 2019. Each business segment adapted the campaign to the specific features of its working environment. Colas also ran the campaign in its international operations, publishing a new cartoon every two months. Since March 2019, the Group has been appointing officers responsible for fighting sexual harassment and sexist behaviour across all its business segments in France, as is required by law.

ESC (Economic and Social Committee) officers are being selected and trained in each operating entity within **Bouygues Construction**. Over and above current legal requirements, officers responsible for fighting sexual harassment and sexist behaviour work in the interests of employees based both in France and abroad, not only remedying problems but also working hard in the area of prevention. A specific email address and awareness-building training were introduced in 2019. On this theme, Bouygues Construction ran a prevention campaign last year under the direction of senior management, providing employees with an opportunity anonymously to review their own attitudes in terms of gender stereotypes, sexism and sexual harassment using an internally developed application.

Colas has also selected, trained and coordinated a network of officers at a national level in this area.

TF1 strives to ensure that women are fairly represented on its TV channels and has pledged – through several successful initiatives – to promote women as expert commentators in the media. In 2016, the group launched "*Expertes à la Une*", an action plan designed to increase the contribution of female experts to its news output. Since then, over a hundred women have benefited from media training, and over 120 newsroom employees have attended training and awareness workshops on this issue.

3

Recruitment

The aim is to make the Group more attractive to women. Currently the worldwide gender breakdown is 18.7% women and 81.3% men; the Group is targeting 21% women by 2020 (on a worldwide scope). The situation varies markedly depending on Group business segment. Men are more represented in the construction activities whereas at Bouygues Immobilier, TF1 and Bouygues Telecom, the gender split is close to even. The Bouygues group has also set a target that, by 2020, 37% of all managers hired will be women.

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 careers in 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 and promote various career opportunities among female secondary school students studying science and technology. In 2019, a milestone was reached when the threshold of 150 female mentors was passed. Some 1,500 young women have received insights from female mentors employed by Bouygues Construction. Initiatives were carried out both in France and abroad (including Cuba, Hong Kong and Morocco).

Colas in France formed 15 male/female pairs of ambassadors. After a one-day training session at the head office, they are invited to speak at forums or during events at educational establishments to tell people about Colas, what it does and what career opportunities are available to both women and men. Colas also requests that internal recruiters and business partners – temporary employment agencies and recruitment firms – put forward applications from both sexes for all jobs, particularly in supervisory roles.

Bouygues Telecom, through its links with academic institutions, works hard to ensure strong female representation in its talent pools. In its latest agreement covering quality of life and gender equality at work, Bouygues Telecom has furthermore pledged to recruit more women into scientific and technological professions such as IT and telecommunications.

19.2%

women managers in 2019, up 0.7 percentage points from 18.5% in 2018.

Promotion and equal pay

The Group is intent on promoting equal access to career advancement and internal promotion. Each business segment has set targets to be reached by 2020 for increasing the number of women in management positions worldwide. For example, at Bouygues Construction and Colas, these targets are 18% and 15%. In France, the Bouygues group had set a target that, by 2020, 20% of employees occupying the grade of department head or higher would be female. That target was achieved in 2019 (20.3% versus 19.7% in 2018). The proportion of women in executive bodies, which has been monitored for the last two years, rose to 20.4% in 2019 from 18.8% in 2018. The Group is targeting 23% by 2020 in France. The Bouygues group is aiming to achieve equal pay in all its business segments. Where there are gaps, specific amounts can be allocated.

In France, of the 21 Group companies with over 1,000 employees, 15 have a gender-equality score equal to or above 75. Six were unable to calculate the index because some sample groups did not contain a sufficient number of women.

In the space of four years, the percentage of women on the **TF1** Management Committee (150 key managers) has risen from 30% to 40%. For the second year running, TF1 was rated amongst the 100 best companies worldwide for gender equality in 2019, ranking 24th in a global comparison (source: Equileap-1), based on a score of 64% (higher than in 2018). TF1 was also the highest-ranking media group worldwide and the third-ranking French company, irrespective of sector.

Proportion of women in the Group

Scope ^a : Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Women with Staff status ^b	24.6%	27.3%	51.2%	21.4%	56.1%	39.7%	28.9%	28.7%
o/w women with Manager status ^c	18.3%	15.2%	26.7%	10.4%	47.7%	28.2%	19.2%	18.5%
Woman with Worker status ^d		9.7%		2.8%			5.8%	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.

Development

Support initiatives are offered in various forms within the 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 2019. A total of 95 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.

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.

The women's network run by Bouygues Construction, Welink, is expanding internationally year by year, especially in the UK. Several events were held in connection with the Women's Soccer World Cup, for example:

- a fourth women's soccer tournament pitting 20 teams from several subsidiaries against each other, including from outside France;
- participation in a group coaching event for female staff who are part of the network;
- Welink meetings in various regions, and;
- preparatory sessions ahead of annual appraisals.

Colas UK invests in gender equality by sponsoring the International Women in Engineering Day and organising visits to schools for girls. In North America, the Miller McAsphalt group belongs to the Women In Construction federation. At Standard General, a training programme in worksite equipment has been put in place exclusively for women.

The Bouygues group, through its partnership with the Women's Forum, brought together a mixed delegation that met for the first time in Paris during November 2019. It consisted of 17 staff members, both women and men, working in different Group businesses. The goal was to draw inspiration from current trends and best practices used in other companies around the globe. In addition, an international delegation from Bouygues Construction and Colas participated in the Women's Forum in Mexico and Singapore. The CEOs of local subsidiaries were present at these events and participated in the roundtable discussions.

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. With this in mind, Martin Bouygues signed the national Manifesto for the occupational integration of people with disabilities in 2019. The Group has a four-pronged strategy in this area:

- recruiting through forums as well as membership of organisations or use of specialist recruitment agencies;
- keeping the disabled in employment by improving access via the adaptation of workstations and equipment as well as promoting career development through core expertise training;
- raising awareness and communicating clearly to encourage employees and managers to regard people with disabilities in a positive way. For example, the Disability Task Force at **Bouygues Telecom** visits customer relations centres all over France on a yearly basis to dispel common myths surrounding disabilities and explain its role, through presentations, discussions and information sessions, and;
- subcontracting to sheltered workshops and disability-friendly companies.

A structured disability-management policy is firmly established in all the Bouygues group's business segments in France. Each one has disability officers that coordinate actions and training for human resources managers and employees. Specific policies have been implemented to help retain disabled employees and adapt working hours to their needs.

In 2019, for the first time, 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, aiming to:

- find solutions for employees who are regularly on sick leave;
- forestall possible occurrences of incapacity.

In 2019, the Group focused its energies on two major events:

- in conjunction with Cap Emploi, it held a recruitment forum called "B.Yourself" at Colas head office, aimed at recruiting personnel on fixed-term, permanent and work/study contracts, and;
- the Group's business segments took part in the European Disability Employment Week through a series of initiatives:
 - **Bouygues Construction** organised a forum bringing together around ten service providers from the sheltered sector;
 - **Bouygues Immobilier** used short films to raise awareness about issues;
 - **Colas** organised sessions with visually-impaired physiotherapists;
 - **TF1** screened in-house nine interviews conducted by a journalist with disabilities, who spoke to other employees (including managers) living with disabilities as well as members of the Disability Task Force and the Director of operational HR;
 - **Bouygues Telecom** organised an escape game^a on disability issues (to which 200 employees signed up), and its Disability Task Force ran an information stand to tell employees about what it does.

Outsourcing to the sheltered sector is also a way of encouraging disabled employment (see also section 3.4.5.3).

At its subsidiary on Reunion Island, **Colas** used an article in its in-house magazine to raise awareness about people with disabilities, with special emphasis on the theme of working while disabled.

Since 2017, Colas UK has been certified a Disability Confident Employer, in recognition of the initiatives put in place to support workers with disabilities.

Bouygues Telecom helps employees with disabilities obtain diplomas and certificates, in particular by assisting them to gain accreditation for work experience.

Bouygues Telecom also trains purchasing staff on outsourcing to the sheltered and disability-friendly sector. These sessions, held within a disability-friendly company, are run by an outside partner.

Employees with disabilities

Scope: France ^a	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Number of employees with disabilities ^a	6	568	36	874	90	286	1,860	1,918
Number of employees with disabilities hired during the year ^a	1	21	5	17	8	9	61	85
Sales with sheltered workshops and disability-friendly companies during the year	n.m.	€1,603k	€243k	€1,801k	€286k	€522k	€4,455k	€4,802k

a Coverage rate: 51% of the Group's headcount (Scope 3)

n.m. non-meaningful.

The indicator is specific to France and thus excludes international data.

a A game in which a team of players must solve a puzzle in order to escape from the room before the time runs out.

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 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).

This diversity policy is promoted by the Diversity committee, which met four times in 2019 with business-line specialists to share best practices and define joint actions.

Hosting work-experience school students from priority education zones

Bouygues Construction, TF1 and Bouygues Telecom all take part in the "Tous en stage" initiative, started by the TF1 corporate foundation, which enables students from priority education areas to gain work experience in different lines of business. In 2019, 830 14-15 year old school students were hosted by the Group.

Bouygues Construction also hosts pupils from priority education networks in conjunction with several NGO partners, including the national network of companies for equal opportunities in education. Several entities within Bouygues Construction host 14-15 year old school students for work experience, thus helping them to think about what they want to do in life. Older pupils are also hosted for site visits, presentations of different professions or even for mock job interviews

with HR managers. In 2019, more than 300 pupils visited facilities and met members of staff.

Introducing 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, for example the "Living together in diversity" programme at Colas and Bouygues Telecom.

Four of the Group's business segments have a discrimination whistleblowing system, managed by an internal counselling unit. For example, since 2014, TF1 has operated "Allodiscrim'", an external and anonymous counselling unit, which informs and advises employees what to do if they believe they have been discriminated against or been the victim of unfair treatment within their company. Newen and Unify have set up a counselling unit, Allodiscrim, available to both permanent staff and occasional workers.

Example of international initiatives

In Hong Kong, **Bouygues Construction** subsidiary, Dragages, received three CSR awards in 2019 from the administrative region's Council of Social Service for its commitment to community service and its efforts to promote social cohesion.

In the UK, **Colas** is very active in the implementation of its diversity policy through which it works closely with agencies specialising in the occupational integration of specific categories of individuals, most notably veterans, former offenders, people with disabilities and the long-term unemployed.

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 environment at work.

In the US, Colas Inc. has set up an anti-discrimination hotline. In addition, a two-fold approach has been adopted:

- setting up of a women's network, the Women's Initiative (WIN), to strengthen dialogue and networking, and;
- participation in a forum for women engineers to facilitate recruitment from within this category.

The Group is committed to having all age groups represented in its workforce.

Workforce by age range

Scope ^a : Global	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Under 25	3.9%	8.9%	8.9%	6.7%	9.3%	11.9%	8.1%	7.1%
25 - 34	24%	28.4%	32%	20.9%	30.3%	33.3%	25.5%	26%
35 - 44	31.0%	27.5%	29.7%	26.3%	26.2%	31.8%	27.3%	27.8%
45 - 54	26.6%	22.8%	21%	28.1%	24.4%	19.3%	24.9%	25.6%
55 and over	14.5%	12.4%	8.4%	18%	9.8%	3.7%	14.2%	13.5%

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

Indicators available at bouygues.com: Average age and seniority (France).

The increase in the proportion of employees under 35 reflects a proactive policy to recruit younger talent.

In France, each of the Bouygues group's business segments has a proactive policy of keeping older workers in employment or supporting them into retirement.

3.2.4 Developing 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.

Bouygues Construction uses In'Pulse, a single digital induction process, for all its entities. In'Pulse is the first stage in the induction of clerical, technical and supervisory staff, enabling them to find out about the culture, history, site locations and major achievements of Bouygues Construction as well as gaining a clear understanding of its values, strategic priorities and organisation. In'Pulse is accessible worldwide, in four languages, on the distance learning platform, ByLe@rn. The process is mandatory for all new employees, who automatically receive an email inviting them to participate soon after they join. Since September 2017, In'Pulse has been rolled out to some 11,000 new employees.

Bouygues Immobilier has developed its own induction process, BI Quest. In 2019, its content was updated to emphasise the new corporate strategy and its CSR targets. A new induction day, BI Campus, was created to train interns and apprentices in the fundamentals of Bouygues Immobilier's HR policy.

In France, a selected group of young managers joining **Colas** complete an in-the-field induction programme, for example allowing young site engineers to train alongside teams on construction sites before gradually being given responsibility. Induction takes place in various locations in France, involving three to four internships in different subsidiaries. Trainees may alternatively work within a single region for one subsidiary. In 2019 (at 31 December), 40 positions for this nationwide scheme were filled. Consideration is also being given to whether some stages could be completed outside mainland France.

New managers then attend the first Colas University seminar, usually during their second year at Colas. The aim is to develop self-reliance, responsibility, teamwork and knowledge of the Colas group. Career development towards management responsibilities is then achieved rapidly within the Group's various business lines.

2,267
work/study apprentices in the Group.
A two-fold increase in the space of five years

3.2.4.1 Inducting new employees

Work/study contracts, end-of-study internships, mentoring, and Group and segment-specific induction days are all ways used by the Bouygues group to induct new recruits successfully. Graduate programmes run by Bouygues Construction, Bouygues Immobilier and Colas, together with digital induction processes (including serious games^a and MOOC^b) also help in this respect. The training of young people via work/study contracts helps form a large recruitment pool for the Group's business segments, which host students of all levels, from vocational high-school to postgraduate level, in all lines of work.

a An app that combines the serious aspects (serious) of instruction, learning, communication or information, with the fun aspects of video games (game) – based on the definition of researcher Julian Alvarez.

b Massive Open Online Courses.

3.2.4.2 Promoting career advancement within the Group

Encouraging staff 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 five business segments to help promote employee mobility.

For example, over 1,000 job vacancies can at any given time be found on the Mobiclic extranet. Since 2019, Mobiclic has also been available as a smartphone app, helping all employees take advantage of the opportunities on offer across the Group.

In France, arrangements are supplemented by mobility committees in various regions and the Group Coordination and Reconversion committee.

On its first day, the Opportunity forum welcomed 1,200 employees from all entities, generating over 600 interviews with HR managers from every business segment. During the forum, some 500 employees took part in theme-based career workshops, which helped them think about their personal career plans. They also received practical pointers. Similar workshops were offered once the Opportunity forum had concluded, with the aim of improving support for employees wanting to change career within the Group.

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 and teams alike. 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 since 2017, resulting in broader career options for HR and IT personnel. In 2019, a Careers committee was also set up for the legal profession in the Group.

The Group also strives to reward professional conduct and mindset among its best site workers through the Minorange Guild^a. 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.

Remote annual appraisals using the Global HR digital platform took place for the first time in 2019, with around 100 Minorange Guild members taking part in the trial.

In 2019, **Bouygues Construction** introduced its first-ever skills management platform, PEPS, to over 10,000 employees. This enables employees to complete a self-assessment of their skills and fill in details about their professional experience, thus continually adding information to the skills database. The goal of this platform is to draw on and promote the wide variety of employee profiles and career paths. It also provides a means for identifying employees who have specific skills that are in demand.

Bouygues Immobilier has introduced "nine-box", a new system for identifying talent by assessing existing skills and potential for the future. In conjunction with this, expectations in terms of managerial attitude and leadership have been redefined, leading to greater objectivity in decision-making.

Research into key jobs initiated in 2018 also continued at **Colas**. This will eventually provide for:

- an enhanced jobs database including all the associated skills, and;
- better visibility on career planning, allowing for more robust career paths, particularly within the framework of internal mobility.

The documents will be made available to all employees and their managers, with the aim of assisting them in career plans.

TF1 (excluding Newen and Unify) have developed Pep's, a tailor-made career development programme, which offers employees two access points.

- The first one, available to every employee via the intranet, is a gateway to a range of individual and group-based modules.
- The second aims to support teams in enhancing their remits and designing training plans in connection with this transformation.

Both processes enable employees to think ahead about their careers in practical terms, using a variety of formats: coaching, workshops, combined classroom-and-online training modules.

In 2019, nearly 360 employees used this programme.

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. With backing from academic partner institutions, Bouygues Management Institute also runs seminars and international field trips.

All business segments have introduced digital training platforms.

^a The Minorange Guild, founded by Francis Bouygues for the construction trades, and currently active in the Group's other business segments, contributes to highlighting exemplary behaviour by site workers in all the construction businesses.

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 2019, the Gustave Eiffel apprentice training centre hosted 400 young people. The exam pass rate was 89%.

Specific courses of study were set up for the Bouygues group: Bac Pro Melec (electricity and connected environments), BTS Fed (fluids, energy sources, home automation) with a cooling and air-conditioning option, BTS in civil works, and engineering management for construction projects.

Transforming learning and training methods

Since 2018, the Group's employees all have had access to the Netexplo online training platform, which enables them to learn more about issues relating to digital transformation and what this means for their job. The platform contains a digital passport, which can be used to accredit expertise. This programme, which was initially scheduled to run for 18 months but which has since been extended to 24, allows new employees to access the training. Over 8,900 Group employees have signed up since the platform went live.

Five business segments have on-line training platforms: Bouygues Construction (ByLe@rn), Bouygues Immobilier (BI Learn), Colas (Colas Campus), TF1 and Bouygues Telecom (e-campus).

The cross-disciplinary training programme on offer within **Bouygues Construction** is now available at all locations in France and internationally through a network of training centres.

In addition, since September 2019 the Information Systems Centres have been offering on-line classes (Welcome@it), which help employees better familiarise themselves with the IT environment used within their respective companies.

Since its makeover in November 2018, ByLe@rn has provided all employees of Bouygues Construction with a learning area to which all can freely contribute. Over 200 items of content have been shared in this way, in several languages. The number of connections increased over the twelve-month period, and the number of unique visitors in one month exceeded 4,000 for the first time in September 2019. New training modules include a range of on-line courses run by employees and training on BIM (3D simulations) aimed at technical departments, run with the help of Elephorm.

With support from the training centres, the Digital Learning Team was able to meet employees in their places of work, at information briefings held in France, the UK and Switzerland.

Bouygues Construction has continued its Digital Reverse Mentoring programme, whereby managers and executive officers with IT knowledge gaps can be coached by computer-savvy employees.

This programme places interpersonal relations at the centre of the shift to digital. It had already been made available in 2018 to management committees at three of Bouygues Construction's five entities. In 2019, two further schemes were started abroad, in Morocco and the UK. Overall, nearly 120 mentor/mentee duos were formed through the five schemes.

In 2019, a new training programme for property developers was set up by **Bouygues Immobilier** to enhance the skills of employees working in what is a core area for the business.

The Corporate training department at **Colas** is involved in rolling out One Colas through a programme aimed at ensuring that management embodies its corporate values and the related commitments on a day-to-day basis. This training will cover a total of 2,000 employees between 2019 and 2020.

New content has been added to the Colas Campus training platform covering a wide variety of topics such as cybersecurity, non-discrimination and diversity. A catalogue of business-specific tutorials is also in the pipeline to help employees achieve operational excellence in areas of the business such as earthworks, industrial activities or asphalt laying. The first modules went live on the platform at the end of 2019. They can be accessed in all countries and will eventually be translated into all Colas' working languages.

In 2018, the four Colas University courses had 356 participants, guiding them through the key stages of their career development. Of these, 51 came from international subsidiaries. Apil University was set up in 2018 for English-speaking managers. Plans are in place to merge it with University 3 training in North America some time in 2020.

Colas Campus hosted over 6,000 French-speaking employees, equating to around 10% of Colas' total workforce.

Outside France, the main training projects were as follows:

- **French Overseas departments - Indian Ocean:** a safety e-learning module was launched for machinery operators and truck drivers;
- **Asia/Oceania:** leadership training for all managers, including a 360-degree interview, was introduced at Blanchard (Colas Australia);
- **US:** a specific training programme to disseminate the Colas safety culture was run within Branscome in conjunction with Caterpillar. A major leadership training programme aimed at local management (Supervisor Development Training) was implemented at Delta;
- **Canada:** in addition to the extensive range of training offered by Colas Canada Training, various corporate training academies were set up such as the McAsphalt Institute of Training and the Miller Institute of Excellence;
- **Morocco, central Africa and western Africa:** training policy is aligned with the Colas group in terms of overall direction and budget. In Morocco, training courses linked to personal development were launched, lasting between 4 and 12 days;
- **UK:** Colas completely overhauled its management training programmes in 2019;

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- Ireland:** HR teams implemented a policy of continuing professional development aimed at increasing management involvement in upskilling;
- Southern Africa:** there was a significant push in the area of training in new technologies and techniques linked to Colas' core activities (basic road-building, bitumen as well as safety techniques), and;
- Central and Northern Europe:** a new Contract Management programme was introduced, aimed at young engineers. In the **Czech Republic**, the Leadership Academy and Site Manager Academy trained 43 and 204 employees, respectively.

Additionally, the new Colas Campus space on Colas Share, the Colas knowledge management platform, is used by training managers to network, access the full range of training content, and share best practice and feedback.

In 2019, the **TF1 University** expanded its range of courses with the aim of fostering a culture of learning, sharing and imparting of skills within TF1 (excluding Newen and Unify). The training on offer is designed to meet strategic targets by pursuing the following objectives:

- adapting and developing core skills, especially in digital technology;
- enhancing management expertise and developing collaborative working;
- preparing for changes in business and helping staff retain their employability as a safeguard for the future, and;
- complying with HR and social commitments and as well as corporate obligations.

Existence of a formal training plan

Scope ^a : France - International (companies with over 300 employees)	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Existence of a formal training plan	100%	100%	86%	99%	100%	100%	99%	98%

a coverage rate: 85% of the Group's headcount (Scope 5).

Training

Scope ^a : France - International (companies with over 300 employees)	Bouygues SA and other	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total	2018 Group total
Number of employees trained	350	36,096	1,588	37,608	1,897	6,073	83,612	66,903
Number of training days	1,012	84,739	5,331	114,904	4,851	21,844	232,681	226,436

a Coverage rate: 85.3% of the Group's headcount (Scope 5).

Indicator available at bouygues.com: Training by type.

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 Bouygues, as it aims to rank among the leading solution providers 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 and 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^a, LEED^b, HQE^c, BBC-effinergie^b, 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;
- policies for optimising and maximising recycling on worksites;
- lifecycle assessments and the provision of eco-friendly alternatives.

Sustainable construction and research into environmental solutions are a key focus of innovation at Bouygues Construction, Bouygues Immobilier and Colas.

Bouygues Construction indicators

Indicators	Scope (activity or region)	Coverage	2019	2018	Remarks
R&D budget spent on CSR	Global	85% of Bouygues Construction's consolidated sales	34%	28%	In 2019, R&D refocused on priorities by thinning out its project pipeline. Mass production can now be trialled in the field. One such example is the Smartfabrik project. The proportion of expenditure devoted to R&D now equals spending on productivity. It has increased because more is devoted to researching new materials, especially low-carbon concrete (see section 3.3.4.4). Additionally, the R&D unit researching new construction methods, such as modular technology and 3D printing, has gained in importance. Bouygues Construction subsidiary VSL also contributed significantly to the increase in this overall percentage after allocating almost half its R&D expenditure to safety.
Buildings in the annual order intake with a commitment to environmental labelling or certification prescribed by Bouygues Construction	Global Construction activities	45% of Bouygues Construction's consolidated sales	58%	48%	Whenever Bouygues Construction acts as a designer/builder, its teams endeavour – wherever possible – to include environmental certification and/or labelling commitments that exceed applicable regulations. The increase in this percentage was primarily the result of a better performance from Bouygues Bâtiment France Europe, which undertook certification or labelling commitments on 82% of projects for which it had design/build responsibility (+14 points relative to 2018). This was the result of better performances from operating units controlling the entire value chain, from development to construction, while many customers are becoming more environmentally conscious.

a Minergie^a 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.

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 (HQETM, 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 section 3.3.1.2),
- Colas' self-assessment checklists and
- Bouygues Immobilier's Clean Worksite Charter. The Clean Worksite Charter applies to all of Bouygues Immobilier's commercial property developments (7.3% of its sales) and NF Habitat HQETM housing developments, which represent 25% of its residential property activity (93% of sales).

As part of its internal processes, the 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, Printania (a customer relations centre) 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 operating phase are crucially important. Bouygues Construction and Bouygues Immobilier support customers in managing and limiting their final energy consumption. For example, their offers include performance commitments in the form of Energy Performance Contracts (EPC) for commercial and residential properties (see section 3.3.3.2).

Environmental certifications relating to the operation of buildings (HQETM 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 business segments' 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 (HQETM, LEED®, BREEAM®) enacted in Group operations provide a framework for environmental management.

For example, Bouygues Immobilier has pledged to abide by all requirements of the NF Habitat – NF Habitat HQE™ certifications on its residential property developments (92.7% of sales), using a management system that is audited annually by Cerqual Qualitel Certification (25% of property developments are checked in the design stage and at handover for compliance with NF Habitat HQETM).

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.

Bouygues Construction indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Sales covered by an ISO 14001-certified EMS ^a	Global	85% of Bouygues Construction's consolidated sales	94%	95%	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.

a Environmental management system.

At Colas, ISO 14001 certification is rolled out at more than half of fixed locations, especially materials production sites. Annual cross-audits of subsidiaries in Belgium, mainland France and Switzerland serve to evaluate facilities and reinforce environmental hazard prevention. These audits are carried out at approximately one hundred ISO 14001-certified sites per

year, representing around 14% of sites in that geographical area, by specially trained internal auditors. The findings from these cross-audits are shared with the rest of the Colas group. Other regions are also trying out similar types of exchange (e.g. the Indian Ocean region and the US), often once the EO^a programme has started.

a Environmental Officer.

Internal procedures

So that the environmental risks pertaining specifically to their type of activities are better managed, the Bouygues group's business segments have implemented their own internal environmental management systems and labels.

- Under Bouygues Immobilier's Clean Worksite Charter (see section 3.3.1.1), an environmental coordinator must be appointed before the work starts, at the contractor's expense. These coordinators are present throughout projects. Their role is to gather, store and classify all environmental data required to ensure a low-impact worksite, as well as to ensure compliance with measures in force. Each trade designates an environmental officer, who is then the coordinator's contact person.
- Checklists at Colas, which cover each type of fixed facility (laboratories, work centre depots, workshops, hot and cold mixing plants, emulsion and binder plants, bitumen depots, quarries, gravel pits, recycling platforms, concrete batching plants, prefabrication plants, construction waste disposal sites, etc.), constitute a concrete benchmark for assessing environmental performance. Standardised checklists have

been developed for each type of fixed installation, representing around 3,000 production units all over the world.

- In 2019, Bouygues Construction continued rolling out its own TopSite label, which covers environmental, social and HR-related issues as well as innovation. There are several reasons why the proportion of sites certified with the label is rising. 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.

20.1%^a
of worksites carry the TopSite^b
label worldwide

3

TopSite: a label that is gaining ground

TopSite was created by Bouygues Construction to ensure that CSR standards are well 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 requires exemplary performance in every aspect of CSR. Group projects lasting longer than six months and with sales of at least €3 million are eligible for consideration. The worksite must meet 16 criteria on the scorecard and earn two bonus Innovation and Best Practices points (all themes combined) to obtain the TopSite label. To obtain the related TopSite Innovation label, it must earn five bonus points (at least one in each theme).

One year after launch, the TopSite label is being rolled out on Bouygues Construction's worksites:

- Bouygues Bâtiment International pledges to be a responsible corporate citizen in the regions where it operates, aiming for 100% of worksites to carry the TopSite label by 2023;
- the residential/commercial property development in Pontoon Dock, London, was in 2018 the first project worldwide to win the TopSite Innovation label. Developed by Linkcity and built by Bouygues UK, the worksite boasted a host of innovations: a website to keep residents informed, 3D scanning of the structures, an automatic system for monitoring dust, noise and vibrations and protecting the surrounding ecosystem, and innovations to improve well-being, health and safety on the worksite;
- TopSite has also been applied by Bouygues Travaux Publics to the Monaco offshore extension project and, more recently, to the worksite of the Fort d'Issy – Vanves – Clamart railway station, which also carries the TopSite Innovation label. This worksite was a venue for trialling the label and met all the conditions to achieve it: high-quality customer relations, strong collaboration with the municipal authority in Clamart to limit the impact on local residents as far as possible, and a strong score in terms of safety, society and community issues;
- Bouygues Energies & Services was awarded the TopSite label for the photovoltaic carport worksite in Corbas, in the greater Lyon area.

a The percentage of worksites carrying the Topsite label is calculated by dividing the number of eligible certified worksites by the number of those eligible (whether certified or otherwise). Eligibility criteria refer to duration, activity and worksite progress thresholds, except for the Bouygues Energies & Services head office, operating and maintenance contracts, call-off contracts/goodwill contracts and consortium contracts for which Bouygues Energies & Services is not the lead firm

b Coverage: 85% of Bouygues Construction's consolidated sales. The auditor indicates that it has obtained reasonable assurance for the 2019 indicator.

Colas indicators

Indicator	Scope	Coverage	2019	2018	Remarks
Environmental certification of materials production sites % of sales before inter-company eliminations	Global	100% of sales (before inter-company eliminations) generated by materials production activities	65%	61%	The proportion, which was 4 points higher, remained at a satisfactory level given the range of contexts around the world in which Colas operates and the non-controlling interests held by Colas in many of these businesses. In some regions, however, managers have begun to question the usefulness of this approach, or would like to replace it with more practical and more pragmatic guidelines. The debate remains open, even though there is a strong tendency at subsidiaries to define the certified scope with greater precision. The upshot is that the consolidated 2019 target for subsidiaries of 75% was not met, in spite of good progress in the year, thanks to the environmental certification of McAsphalt (98%), which accounted for 9% of total sales (before inter-company eliminations) from materials production activities.
Rate of environmental self-assessment using Colas check-lists^a % of sales before inter-company eliminations	Global	100% of sales (before inter-company eliminations) of materials production activities for which checklists are applicable	79%	83%	The indicator decreased by 4 points but remained at a high level. The lower reading reflects first-time inclusion of Miller and McAsphalt group in the reporting scope. Although these large Canadian subsidiaries have many sites eligible for the indicator, the system only began to be implemented there in 2019. In Canada, the number of sites eligible for checklists rose by 87% but the number of completed checklists was up only 23%. Considering the size of Miller and McAsphalt group, the reporting scope for Colas increased by 9% but the number of completed checklists was a mere 2% higher. This automatically led to a 4-point decline in the second indicator, even though other regions continued to make progress (+1 point in France and +3 points international operations excluding North America). The consolidated target for subsidiaries in 2019 was 90%. Checklist assessments remain the cornerstone of the policy put into practice by Colas to circumscribe its environmental risk.
Materials production activities that use a tool to manage environmental impacts (environmental certification and/or Colas checklists) % of sales before inter-company eliminations	Global	100% of sales (before inter-company eliminations) generated by materials production activities	89%	84%	This combined indicator tracks both use of environmental certifications and self-assessments using Colas checklists, at materials production activities. It remained at a high level, having gained 5 points in 2019. The target is to reach 100%. This is an ambitious target given that other shareholders in subsidiaries might be involved, some of which are majority owners, preventing Colas from ensuring complete oversight.

^a Activities to which the checklist applies: fixed quarries; fixed gravel pits; borrow pits; hot-mix plants; cold-mix plants; oil and bitumen refineries; asphalt plants; plants making binder, emulsions and/or fixed modified binders; concrete batching plants; fixed prefabrication plants; fixed recycling plants; bituminous membrane facilities; various fixed installations; fixed bituminous binder storage facilities. This excludes some highly specific, low-volume production activities (e.g. steel framing)

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 89 sessions up to 2019 (with an average of 12 participants per session) since beginning in 2006.

Additionally, the Bouygues Management Institute (IMB) training module, "Towards the contributive firm", 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. The six sessions held in 2019 brought together around sixty managers.

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.

Business segment initiatives

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.

- Teams on Bouygues Construction and Colas worksites take part in QSE starter sessions, which raise awareness among site workers about the quality, safety and environmental issues specific to the project in progress. One area of focus can be waste and pollution hazards.
- Bouygues Construction runs webinars on the E+C- (Energy+Carbon-/Positive-energy building and Carbon Reduction) label to build and share expertise in this field. In 2019, specialists from Bouygues Construction's environment and eco-design department ran on-line classes (two per theme) to inform and educate employees about a range of issues, from biodiversity, carbon and building

eco-design to the circular economy and the user experience. These "30-minute eco-design sessions" were specifically organised to provide answers and resources for operational staff looking to integrate sustainable development into their projects.

- European Sustainable Development Week (ESDW) and/or Mobility Week are other highlights in the internal communications calendar. For example, Bouygues Immobilier took advantage of the overhaul of its corporate travel plan to organise a talk on soft mobility so that it could present the travel alternatives on offer to employees. Meanwhile, employees at Bouygues Bâtiment France-Europe were invited to take part in several initiatives for safeguarding the environment. A week was devoted to this theme, during which they had the opportunity to view an exhibition on biomimetics and visit worksites scoring high on environmental criteria, such as the Biotope building, which has now become headquarters of the Lille metropolitan authority. Bouygues Telecom conducts initiatives among employees and customers encouraging them to get involved directly. In 2019, the focal point was the theme of recycling used handsets, including a new in-store system for collecting used mobile phones and accessories.

276,280
**handsets collected for recycling
or re-use**

Coverage: 100% of Bouygues Telecom's consolidated sales (France)

- Since 2018, TF1 has run a yearly "Staff engagement week" for its employees in April, representing the annual focal point of its CSR policy. During this week, specific themes relating to social responsibility or sustainable development are discussed via video content, masterclasses, inspirational examples or practical workshops. In 2019, "Staff engagement week" focused on the UN's Sustainable Development Goals (SDG). In addition, ten charities supported by members of staff receive a financial donation from TF1 during this week.

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 all year round through many different shows on its TV channels or websites, from weather bulletins and news reports to reports on Ushuaïa TV (a nature channel), campaigns aimed at children, the My Little Paris newsletter by Aufeminin and the *Impact Positif* podcast.

In June 2019, TF1 Publicité (the group's advertising sales unit) brought together all advertising industry stakeholders for a major event at La Seine Musicale venue on the theme of responsible consumption. The unit wants to contribute to corporate social responsibility, which as a theme is still largely unknown to the public, through several projects including:

- content eco-design, and;
- master classes for companies to dialogue with consumers.

In its terms & conditions for 2020, TF1 Publicité has added a clause which promotes products with a sustainability label.

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. In Madagascar, Colas has since 2008 offered an educational and awareness-raising programme on protecting biodiversity. Last year, it produced a four-minute film in which an actor gave a humorous take on CSR as part of an exercise to set sustainability targets.

One of the charities supported by the Bouygues Immobilier corporate foundation is Unis-Cité, which has pioneered voluntary community service in France. As part of this initiative, the foundation provides financial support to the Médiateur programme, which promotes eco-friendly behaviour among families living in underprivileged neighbourhoods, which in turn reduces their water and electricity bills, whilst strengthening the social fabric of local communities at the same time.

Bouygues Immobilier Indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Number of volunteers in the MédiaTerre programme supported by Bouygues Immobilier in its areas of engagement	France and subsidiaries	93.3% of Bouygues Immobilier's consolidated sales	230	114	The change is due to fluctuations in the number of available volunteers in the localities supported by Bouygues Immobilier's budget. In 2019 a strong commitment was made regarding the issue of waste management.

Several employees from Bouygues Construction gave courses on the circular economy at École des Ponts ParisTech and on lifecycle analysis (LCA) at ESTP^a.

Furthermore, Bouygues takes part in international events to promote its initiatives and innovations for making urban environments more sustainable and making progress become reality. For example, the Group and its business segments presented innovative solutions to visitors at the fourth Viva Technology event in Paris (16-18 May 2019).

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 site rehabilitation commitments totalled €184 million at 31 December 2019. To date, there is nothing that indicates that these comprehensive measures are insufficient, neither during internal or external audits nor 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 Minimising the environmental impact of business activities

3.3.2.1 Avoiding pollution

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 handles these issues through its 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.

These are all qualifying criteria to earn the Topsite label. 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. In addition to these measures, the checklists also cover non-certified sites in aspects such as administrative management, site organisation, storage, operations management and monitoring, environmental impact and risk management (water and air pollution, waste, natural and technological risks, noise and vibration) and dialogue with local communities;

^a École spéciale des travaux publics, du bâtiment et de l'industrie.

- 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;
- when tendering for projects involving environmental engineering, Colas calls in outside expertise to supplement its core road-building know-how.

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.

In its infrastructure projects, Bouygues Travaux Publics does its utmost to limit impacts on biodiversity and the natural environment. For example, as part of the Monaco offshore extension project, measures were taken to limit the dispersion of fine particles, check water quality and monitor noise. Special arrangements were enacted to limit the effects of turbidity^b on the natural world, including a custom-made underwater screen that was installed to shield two nearby marine nature reserves. Suspended solids, water quality, terrestrial and underwater acoustics and reserve species are monitored regularly to assess the conservation status of the project's environmental criteria. This is a specific regulatory requirement of the Grand Paris Express major infrastructure programme.

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.

3.3.2.2 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.

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 3.3.3).

- Colas is developing products that reduce traffic noise such as fractal-technology noise barriers, and noise-reducing asphalt mixes (Nanosoft®, Rugosoft® and similar), which can reduce traffic noise by as much as 9 dB. In 2019, 375,400 tonnes were produced compared with 393,600 tonnes in 2018, representing a 5% decrease. This reflected fluctuations in works contracts and was not driven by any specific factors. 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.
- For Grand Paris infrastructure projects, Bouygues Travaux Publics is committed to cutting worksite noise pollution by installing sound barriers in sensitive areas and carrying out acoustic simulations, which are 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. Dragages Singapore (Bouygues Bâtiment International) has pledged to curb disturbance for local residents around its worksites. Teams hold meetings with residents to adapt solutions as the construction work progresses through various stages. The equipment for measuring and monitoring noise and other kinds of disturbance is powered by renewable energy.

Com'In, created by Bouygues in 2016 through the "Innovate like a Start-up" programme, is currently being ramped up thanks to funding from Bouygues Construction and Colas. This platform will analyse and manage noise, dust and mobility-related disturbances (traffic congestion, soiled road surfaces, etc.) in real time. Thanks to sensors fitted around worksites, a mobile app used by local residents to report disturbances and a self-learning algorithm, worksite supervisors will be able to use the solution to make the right choices in terms of works execution. Com'in is currently in the testing phase on five worksites in the Paris region (connected with the Grand Paris Express and Eole). In the coming months, this solution will be rolled out to other worksites. At the French national public works federation's Innovation Days event in November 2019, Com'in won the "TP 2019" award in the "Start-ups" category.

TF1 and Bouygues Telecom are especially attentive to exposure to the waves emanating from their masts. 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 the signals have been turned off. Bouygues Telecom also implemented new regulations based on the first specific European directive obliging companies to evaluate their employees' exposure to electromagnetic fields.

a Bus Rapid Transit routes.

b Suspended material content.

3.3.3 Drawing inspiration from the principles of the circular economy

The construction industry generates 70% of the 324 million tonnes of waste produced in France. From 2020, France's energy transition law (LTE) – designed to encourage waste-reduction initiatives – 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 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 in the building of 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.

Aiming for zero final waste on worksites

In the field of waste recycling, Bouygues Bâtiment France Europe's goal is to achieve zero final waste. To attain this target, a results-driven experiment called Zero Final Waste Construction Sites was started in 2019, with a test project implemented in every operating unit within France. This campaign, which follows on logically from internal research on the circular economy, will enable each operating unit progressively to adopt the most suitable measures for reducing the environmental impact of the Group's construction activities.

Two main avenues will be pursued to aim for zero waste:

- The first is upstream of production, when the building is designed: this entails reducing wasted materials and packaging as much as possible.
- The second is downstream: separate sorting, which is already conducted for metals, could also be applied to other types of waste where technically possible and economically rational.

On the project at 185 avenue Charles-de-Gaulle, Neuilly-sur-Seine, led by Rénovation Privée (a subsidiary of Bouygues Bâtiment France Europe), priority has been assigned to re-using materials. Some 17,000 m² of carpet, 500 doors, 30 electrical cabinets and 20 tap-and-basin sets have been repurposed in this way. Marketplaces^a such as Cycle Up and Backacia have been tested as channels for selling on furniture and glazed partitions. To this end, a process for determining the amount and type of resources available is carried out from the marketing phase, including identification of and coordination with the various buyers. For example, in the gutting phase, ten material streams were sorted at source, with the result that an exceptional 94% of materials could be re-used, equating to the avoidance of 100 tonnes of waste and 80 tonnes of CO₂.

Another example is the redevelopment project for the Indes neighbourhood, located on the Sartouville plateau, where UrbanEra[®] (the Major Urban Projects division of Bouygues Immobilier) has implemented a strategy based on three relevant areas of innovation for the region, including a major focus on the circular economy. In conjunction with Batirim, a Suez subsidiary, available resources were itemised and those carrying out the work were trained in the re-use and management of site waste, enabling a rich source of re-usable materials to be identified on site. These materials will gradually be re-employed in the various phases of the project. Furthermore, plans for re-using concrete in the structural components of future constructions are under way.

In 2019, Bouygues Immobilier also rolled out the first start-up incubator aimed at supporting the circular economy in urban environments, aimed at the construction and property sectors. Launched by Impulse Partners and Sinteo, with support from the French building technology research centre (CSTB), it reflects Bouygues Immobilier's policy to interact with and serve companies and other urban stakeholders. The incubator will be used to develop, test and implement innovative solutions designed by

start-ups operating in the areas of construction, urban planning and the environment.

Other 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 by the Group, e.g. shared spaces in the eco-neighbourhoods built by Bouygues (car parks, gardens, third places, etc.), and;
- and from scalable building design principles that bolster reversibility as well as extensions and changes in use over the lifecycle of the building or infrastructure.

For example, Linkcity's Bâtiment K project in Lyon, situated in the new Eureka Confluence neighbourhood, aims to design a building capable of adapting to major urban changes at a lower cost using the dry-construction method^b. Initially designed as office space, the building can be transformed into housing units once the motorway running through the area has been downgraded to a thoroughfare.

a BtoB e-commerce sites bringing together suppliers and purchasers.

b Construction method that does not require water, unlike the traditional "wet" method, resulting in lower energy consumption on worksites.



For over 30 years, Colas Ile-de-France Normandie has assimilated the fundamental challenge of responsible management of spoil and materials from sites of all kinds, as well as their recycling and re-use. It has done this by primarily developing a network of around 40 facilities – recycling platforms, sorting platforms for commercial users and inert waste storage facilities – across its region.

Premys, Colas Ile-de-France Normandie's deconstruction subsidiary, which operates throughout mainland France, recycles structural waste from buildings made primarily of concrete. This subsidiary is working to optimise the re-use^a or recycling of waste from interior building materials such as gutting, and in particular from selective waste sorting (ferrous and non-ferrous metals, computer room floors, wood flooring, wooden beams, false ceilings, furniture, etc.) so that they become a source of raw materials or equipment. Premys is also testing solutions for selling products made from recovered deconstruction waste (such as doors and windows) to retail customers and tradespeople. Colas Ile-de-France Normandie was able to recycle more than 1.59 million tonnes of materials in 2019, including 290,000 tonnes of reclaimed asphalt pavement from the deconstruction of former road surfaces.

3.3.3.1 Producing less waste^b: reuse, recycle and repurpose

Recycling and reusing construction-related waste

Environmental management systems (e.g. ISO 14001), as well as internal standards (TopSite label, Clean Worksite Charter and Colas checklists), make provision for responsible waste management. For example, one of the prerequisites for obtaining the TopSite 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^c, which makes on-site waste recycling mandatory using a waste management plan.

Bouygues group employees (from Bouygues Travaux Publics and Bouygues Immobilier) have helped produce a new instruction booklet on deconstruction and the repurposing of construction waste, in conjunction with Orée, an NGO. 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 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.

3

Energy renovation: Bouygues Bâtiment recognised

The Fuschia residence, in Paris and renovated by Bouygues Bâtiment Ile-de-France Habitat Réhabilité, received the special jury prize for renovation (Grand Prix Rénovation) at the 2019 Green Solutions Awards. The project involved energy renovation of 231 housing units, with a keen focus on re-using or recycling materials. Altogether, 80% of site waste was either re-used or recycled. Operating this circular-economy policy and running the worksite efficiently led to a reduced environmental footprint:

- 20 tonnes of sand were saved;
- 80 tonnes of carbon emissions avoided, and;
- 95 trees were protected at the site.

a According to Ademe, technically, re-use starts when the owner of a used item disposes of it, instead of giving it up for recycling (e.g. at a voluntary drop-off point or waste disposal site) or handing it over to a private individual. It is then classified as waste. It is then reprocessed so that it can be used again, thus giving materials a new lease of life.

b Preventing food waste: given the type of businesses operated by the Bouygues group, this theme is not meaningful. 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.

c The Clean Worksite Charter applies to all of Bouygues Immobilier's commercial property developments and to residential developments that are NF Habitat HQE™-certified (see section 3.3.1.2).

Bouygues Construction has also forged partnerships with various circular-economy start-ups and SMEs:

- Hesus is a networking platform connecting worksites offering spoil with those needing backfill, as well as connecting trading platforms for the sale and purchase of building materials;
- Circoleur recovers opened cans of paint from worksites to make fresh paint. The production of professional-grade paints that are 70%-based on recycled paint avoids the incineration of previously discarded paints and reduces the extraction of raw materials. As a result, these paint products have a carbon footprint that is 12 times smaller. Emissions of VOCs (volatile organic compounds) are also reduced, leading to improved indoor air quality. This solution is already being tested on the ABC project in Grenoble and on a selection of zero-waste projects run by Bouygues Bâtiment France Europe.

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^a 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. Ubysol 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).

16%

of asphalt pavement recycled in order to reclaim bitumen, up by one percentage point versus 2018

Coverage rate: Colas' materials production activities worldwide

Recycling^b and the circular economy are of vital importance to Colas. As a leading producer and user of construction materials, Colas recycles and re-uses waste and site-demolition materials from its own road-building activities. It also recycles and re-uses waste and materials from other construction and public-works professionals and even other industries. This includes mirror glass waste, broken porcelain and shoe soles. Roadworks account for the bulk of aggregates consumption, and aggregates are the most widely used material after water. Aware of the responsibility that comes with this, Colas has been developing its recycling techniques. Today, 800 Colas sites transform used materials, primarily reclaimed asphalt pavement, to turn them into civil works materials. This avoids production of bitumen from a refinery, the operation of around 20 quarries worldwide and an even larger number of landfill sites, as shown by procedures for recovering and reprocessing of asphalt pavement from roadway deconstruction. Amongst the products incorporating recycled materials is Ecomac®, developed by Colas itself, is an ultra-thin bitumen emulsion concrete. Made mostly from recovered asphalt mixes, its low-temperature production process reduces energy consumption for the same durability.

Circular economy: the example of the renovation of runway No.3 at Paris-Orly airport

From July to December 2019, Colas rebuilt runway three at Paris-Orly Airport. Following the principles of the circular economy, Colas agreed with ADP that they should recycle on-site all of the 185,000 m² of concrete slabs used for the former runway. As each slab was 40 cm thick, the material amounted to 235,000 tonnes of concrete, which was then crushed for re-use.

More than half of the concrete (125,000 tonnes) was treated with hydraulic binders. Another 49,000 tonnes were reprocessed to use in drainage channels. Most of the remaining concrete was re-used as coating concrete for tubing. The rest was re-used at other locations.

Colas teams set up three open-air plants on the site to process the used slabs, which limited the number of haulage operations and reduced the environmental impact of the project. Specifically, 13,000 articulated-truck trips were avoided (6,500 to clear the material and the same number to transport it to other locations).

a France's geological and mining research office.

b 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.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Recycled materials in relation to the volume of aggregates produced ^a	Global	Asphalt mix and aggregate production activities, and railway worksites	9.8%	10%	In 2019, Colas recycled and recovered almost 9.2 million tonnes of material, equating to 10% of total aggregates produced. This represented a worldwide saving equivalent to the average production of 47 Colas quarries. The ratio of materials recycled was stable between 2018 and 2019 in spite of a 9% increase in the production of aggregates. This resulted from a marginally higher tonnage of recycled materials ^b . The biggest increases were outside France excluding North America (up 7%) and in mainland France (up 4%), bearing in mind that mainland France accounted for 60% of total production of recycled materials at Colas.
Asphalt pavement recycled in order to reclaim bitumen	Global	Materials production activities	16%	15%	The percentage of recycled asphalt pavement rose by 1 point in 2019. The quantity of reclaimed asphalt pavement increased by more than 2%, while asphalt production fell by 3% (particularly in the Middle East, western and northwest France, and Quebec). In contrast, the consolidated target for Colas' subsidiaries in 2019 was 17%. The percentage varies from one geographical area to another, depending on urban density, customer habits and the techniques used at asphalt mixing plants. Some subsidiaries achieved high percentages: Roadworks Ontario (42%), Branscome (30%) and Reeves (28%) in North America, and Colas Belgium (25%), Colas Suisse (23%) and Colas Rhône-Alpes/Auvergne (20%). Such progress is harder to achieve in less proactive countries. The total savings made were equivalent to the annual bitumen production of a medium-sized refinery.
Surface area of road pavement recycled in-place million m ²	Global	Worskites activities	7.3	3.3	The surface area of road recycled in-place more than doubled in 2019. This significant increase is linked to the incorporation into the reporting scope of Miller group (Canada), which uses this technique on many of its projects and accounted for 60% of total 2019 performance.

a The auditor indicates that it has obtained reasonable assurance for the 2019 indicator.

b 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. Colas has therefore achieved three-fourths of its estimated recycling potential, with some subsidiaries in Belgium, France, Switzerland, the US and Canada achieving this maximum ratio in 2016. There has been slower progress, however, in countries where recycling is less of a priority.

Colas Indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Waste oil recovery rate	Global	All activities	68%	65%	The general consensus is that the optimum waste-oil recovery rate is around 80%, taking into account the oil that is consumed and burned by road and plant vehicles. At Colas, the recycling ratio rose by 3% in 2019. ISO 14001 certifications and annual self-assessments using checklists take account of all waste management.

Bouygues Construction indicators

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Proportion of non-hazardous waste that is recycled (not disposed of in landfill)	Global	85% of Bouygues Construction's consolidated sales	48%	58%	This difference must be considered cautiously following a change in the way this indicator is calculated. The recycling rate measured by this indicator in 2018 only covered materials. It now also covers energy. Despite this wider scope, the decrease in the overall recycling rate is attributable to two subsidiaries, Bouygues Bâtiment International and Bouygues Travaux Publics, which respectively account for 47% and 37% of the total volume of waste collected. Their low recycling rates – Bouygues Travaux Publics 37% and Bouygues Bâtiment International 50% – are related to the progress and type of the current project, which in 2019 produced categories of waste that are hard to recycle (e.g. foundation work).
Percentage of non-hazardous waste recycled	France	67% of Bouygues Construction's consolidated sales	84%	n.a.	In 2019, the decision was made to limit the scope of this indicator to France alone (all operations) to allow for a finer 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. Bouygues Construction achieved a rate of 84% for France after boosting awareness among employees, most notably concerning the sorting of waste at source. It also worked closely with suppliers and subcontractors to improve the management of waste collected on worksites.
Percentage of spoil recycled	Global Civil works activity	19% of Bouygues Construction's consolidated sales	58%	73%	Spoil represents most of the waste produced by Bouygues Travaux Publics through excavation, tunnelling and earthworks. There was, however, a significant decrease in the volume of spoil produced in 2019 (-39%). The 15-point decrease in the spoil recycling rate in 2019 was due to several factors. First, encouraging more materials to be re-used on site (Bouygues Travaux Publics Mines RTA, Région France, Prader Losinger) automatically increases the proportion of hard-to-recycle spoil, which then lowers the overall recycling rate. Secondly, the type and state of progress of ongoing projects affected the categories and volumes of spoil produced.

n.a.: not applicable

In accordance with remarks by the auditor regarding 2018 and comments by the AMF, Bouygues Construction has increased the reliability of the process for collecting waste-related data. Meetings with the relevant departments (CSR and Purchasing) were held to identify where changes could be made and to review processes. Work was also carried out with suppliers to consolidate and tighten up requirements.

Consistency tests were implemented to minimise reporting errors. With these changes in methodology, the degree of reliability for France has improved. A decision was made to shift to two indicators. The first, covering France, measures the waste recycling rate, enabling the Group to meet targets under French regulations. The second, covering the entire reporting scope, measures the overall recycling rate for waste, including both materials and energy. Another reason for this decision was that the distinction between materials and energy recycling is not systematically made in international operations.

Soil decontamination

Through its subsidiaries Colas Environnement and Brézillon, the Bouygues group offers soil decontamination solutions. With over 1,000 worksites to its name, Colas Environnement has experience in most decontamination techniques. It is chiefly renowned for the high performance and reliability of its on-site treatment systems. It is also known for its transparency. 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^a-compliant since 2010. In 2018, Colas won the 2018 "BIM d'Or" award for decontamination of the Dunkirk refinery, marking the first time that BIM^b had been applied to subsoil issues anywhere in the world. The deconstruction and decontamination of the Dunkirk refinery is a large-scale task (surface area of 95 hectares, 35 km of underground piping, 200 vats and even unexploded WWII-era bombs). It also recognised the quality of the technical developments and the philosophy of collaborative openness that was central to the process.

a A manual on improving Health & Safety and Environmental issues within companies.

b Building Information Modelling.

BZ-Environnement is Bouygues Construction's decontamination subsidiary, holding four patents for on-site waste treatment 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 groundwater remediation. Since 2019, it has also been called in for air decontamination, using an internally designed process that cleans air using 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.

As well as offering decontamination services, BZ-Environnement has since 2017 operated a "biocentre" in Longueil Sainte Marie, north of Paris, which sorts and repurposes non-hazardous polluted soil collected mainly from worksites in the Paris region. At end-December 2019, this site will have processed over 108,000 tonnes of soil over the calendar year (219,000 tonnes since starting operations), 70% of which have been reclaimed and re-used in the circular economy, thus saving raw materials and avoiding disposal of the polluted soil at landfill sites. The "biocentre" also has a riverside quay, allowing 12% of the soil to be transported by water, which lowers the carbon footprint of the operations by preventing the emission of 3,900 tonnes CO₂ equivalent from road haulage.

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, all the Group's 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 138,162 items of equipment (of which 17,351 between October 2018 and September 2019). Since it started, around 30% of the 1,083 tonnes of waste equipment collected was destroyed and 70% was re-used.

At the same time, Bouygues Telecom has its own recycling channel as well as a right of first refusal on telecoms and data centre equipment that is no longer used at their original sites. 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. Hardware that is not re-used is sold on after reconditioning. Items that cannot be sold on are recycled by specialists in Europe. This policy has been important in the dismantling arising from the network sharing agreement with SFR. Nearly 95% of the hardware from this dismantling has been re-used or recycled.

3

Mobile handsets: Bouygues Telecom commits to the circular economy

Bouygues Telecom took several measures in favour of the circular economy in 2019:

- In the area of used handset recycling, 2019 marked the tenth anniversary of its partnership with Recommerce, a leading refurbisher of smartphones in France, as illustrated recently by its inclusion in the French Tech Next 40 label.
- After all this time, the option of selling back handsets has become a normal part of business for Bouygues Telecom stores. 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.

After having started by offering this service on its website, in late 2018 Bouygues Telecom started offering refurbished handsets in store, in response to demand from existing and potential customers.

- On top of this, Bouygues Telecom helps customers keep their existing handset for longer by offering affordable repairs at WeFix points. The partnership with WeFix was signed in 2019. Launch of the service was planned for October, initially in selected locations.
- For devices that can longer be used, Bouygues Telecom introduced a new in-store collection system for both handsets and accessories in late 2019, with the aim of offering existing and potential customers a recycling solution.

All these initiatives launched in 2019 will have a full impact in 2020.

Bouygues Telecom indicators

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Number of handsets collected for recycling or re-use	France	100% of Bouygues Telecom's consolidated sales	276,280	270,521	This slight increase can be explained by a greater willingness among customers to surrender their used mobile handsets for re-use or recycling.
From customers (Bouygues Telecom stores, general public and corporate websites, employees)			253,230	251,928	
Through the after-sales service			23,050	18,593	

3.3.3.2 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.



So that requirements can be calculated precisely and utilisation optimised, digital technology such as BIM and specific lean management 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:

- optimisation of resource utilisation (through eco-design and recycling), and;
- 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.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Volume of recycled materials millions of tonnes	Global	Asphalt mix and aggregate production activities, and railway worksites	9	9	The volume of recycled materials was stable in 2019.
Volume of aggregates from recycled pavement millions of tonnes	Global	Materials production activities	6.2	6	The percentage of reclaimed asphalt pavement was steady in 2019.

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.

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 new 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 (see section 3.4.3.1).

In 2017, Bouygues Immobilier signed an agreement with Karibati, a consultancy that helps companies integrate biosourced materials such as organic concrete, insulating panels and timber into their property development projects. Since the partnership began, 17 projects have been helped to use biosourced 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.

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 road and earthworks

projects. It has seven quantitative criteria, including CO₂ emissions. It compares the standard solution with a design variant that can then be proposed to the client, showing its environmental benefits relative to the standard solution for each criterion.

Eco-comparison software that is pan-European

The road industry and the EU are working to see how Seve® can be applied internationally – something with which Colas is actively involved. In 2017, the SustainEuroRoad project, 50%-grant funded under the EU's Life project, was audited by the European Commission. It was stated that there are no other projects of this type in road construction and it stands out by being a project that helps to make contracting more objective. The European Commission's Directorate-General for the Environment has referred to the possibility of reducing greenhouse gas emissions by more than 50%, energy consumption by 70% and consumption of natural resources by similar proportions by using this software. In 2018, SustainEuroRoad enabled the creation of a new pan-European database and demonstrators at worksites and production sites across Europe (Germany, Spain, France and Hungary). Its aim is to support GPP (Green Public Procurement) in its efforts to introduce environmental criteria, on a voluntary basis, into public procurement. In 2019, experts working on the project pulled together technical specifications from each road construction project where there was potential to reduce environmental impact and created different scenarios modelling positive performance. SustainEuroRoad finished developing the software – a comprehensive decision-making tool, harmonised at European level, that can calculate and then lower the environmental impact of building and maintaining road infrastructure over entire lifecycles. The software is changing continually in response to users' comments so that it aligns as closely as possible with the reality on worksites.

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 2019, while the number of environmentally friendly alternatives offered was 4% higher and the number of such alternatives selected increased by 23%. Within the industry, Colas is playing an active part in efforts to give new impetus to eco-friendly alternatives, especially considering the interest sparked by Seve® (a French initiative) across Europe.

Considered an important avenue for differentiation in international operations, eco-friendly alternatives are used by Bouygues Bâtiment International in its projects.

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 makes it possible to assess the carbon footprint starting from pre-project 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 or using a variety of techniques for the eco-design of products.

Research by laboratories at Colas aims to develop eco-friendly binders by applying the principles of "green chemistry", for example by introducing components bio-sourced from marine and forestry assets, reducing temperatures and limiting greenhouse gas emissions. This work focuses on using waste and renewable raw materials that have no adverse impact on the production of human food resources.

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. One such example is WORK#1 in Lyon, to be handed over in 2020. This office space has been designed to become a residential building as and when the needs of the neighbourhood 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.

Bouygues Telecom is lengthening the useful life of its Bbox router by adhering to eco-design principles and by operating a policy for repairing and re-using this hardware. Consequently, the average useful life of a Bbox router is between eight and ten years^a.

^a Based on after-sales data and the entire installed base.

The EDA project, a low-carbon positive-energy building

Following a second call for bids as part of "Invent the Grand Paris Metropolitan Area 2"^a, in June Bouygues Immobilier was picked to develop the EDA project. The consortium, led by Bouygues Immobilier, will therefore build a Green Office building on a 3,557 m² plot of land located next to the Seine river in Paris. Currently, the land is used as a storage depot. The office space will include coworking spaces, a bicycle repair shop, a canteen that is also open to the public, and "pick & go" urban logistics spaces.

The floor area will be around 15,000 m². The building will comprise seven levels above ground and four basement levels and will be an 80% timber structure. The circular economy is an integral part of the project. For example, once the building is in use, grey water will be reused for watering green spaces. Urine will also be reprocessed as a natural fertilizer.

The EDA Green Office will produce more energy than it uses. 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.

During the construction phase, structural works account for over half of total carbon emissions. By using timber, 2,700 tonnes of CO₂ can be avoided, thus reducing carbon emissions by 16% relative to a conventional concrete construction. Priority will be given to sourcing timber in France so that supply chains can be kept short.

Once the building is in use, some 660 tonnes of CO₂ emissions will be avoided, thanks to its production of energy.

Promoting effective energy-saving solutions

Bouygues takes part in 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^b and E+C-.

- **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. In July 2019, the Enjoy development received an award as the largest timber positive-energy office building in France. To date, two Group projects have received the BBCA label.
- **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 11 projects that had received or applied for labels. A project-wide carbon assessment tool has been introduced to help operational teams, who will be trained in carbon-reduction methods in early 2020.

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 (HQETM, 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.

In the Jas-de-Bouffan neighbourhood in Aix-en-Provence, a worksite meeting house was opened as soon as the rehabilitation project began so that future occupants could come and share their expectations, which could then be better taken into account. There were several channels for communication during the two-year project, including group information sessions, a website dedicated to the development and to future tenants, and a worksite magazine.

^a Europe's largest call for tenders in the field of property development, urban planning and architecture.

^b Certifies that a new or renovated building has an exemplary carbon footprint.

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 both help foster changes in people's habits. "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. In the summer of 2019, 118 homes for owner-occupiers were equipped with Wizom Connected services as part of the Chapelle International project.

The Group's business segments also offer energy-performance solutions for local authorities. Since running the IssyGrid[®] pilot project, Bouygues Immobilier has been capable of offering smart grids on all large projects. It also designs sustainable neighbourhoods to be smart-grid ready so that full-scale grids can be rolled out. For the Nanterre Cœur Université development, designed by UrbanEra^a, attention was focused on building design and optimised energy management, which led to the addition of a smart grid and a solution developed in partnership with EDF Optimal Solutions. 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.

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 also receive a text message once their vehicle has finished charging.
- France's first smart city was inaugurated in Dijon 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.

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 streetlight, thus adapting lighting to levels of road usage. This is supplemented by environmental performance indicators concentrating on light pollution.

Objenious, a Bouygues Telecom subsidiary that uses LoRa[®] technology to connect devices, works with its eco-system of business partners to offer a range of solutions for saving energy, reducing carbon footprints and supporting sustainable mobility.

- For instance, the Apt group of municipalities has extended remote meter reading to cover its entire area.
- The Municipality of Montpellier has introduced a smart-parking system to assist in finding spaces, preventing traffic jams and reducing carbon footprints and to offer inhabitants new services.

In Bordeaux, Bouygues Telecom ran the first real-life test for 5G in July 2018. Two specially equipped 5G masts were used to test the new possibilities afforded by this technology such as remote control of vehicles, telemedicine and remote maintenance. To identify new uses of smart technology, the Bouygues group has created a 5G "accelerator", which houses under one roof all its initiatives connected with smart mobility, smart city, smart building and smart entertainment – fields in which it is extremely active.

3

a The Major Urban Projects division of Bouygues Immobilier.

Flexy Moov, a new shared electric-vehicle solution for businesses

Bouygues Telecom's new subsidiary, Flexy Moov, born out of "Innovate Like a Start-up", the Group's intrapreneurship programme, offers a fleet of self-service electric vehicles located in company car parks.

Since May 2018, Flexy Moov has offered businesses the opportunity to put their free parking spaces to better use by adding a mobility service for their employees.

The first step is the installation of a "Flexy Centre" in the car parks of participating companies. Using a dedicated app, the company's employees choose the mode of transport best suited to their planned journey: car, bicycle, moped or scooter (all electric-powered). Flexy Moov handles maintenance and insurance for the vehicles. It also provides assistance and supplies safety kits for users.

The benefits for companies and users are many, from a reduced need for parking spaces (as employees no longer feel they need to bring their car to work every day), lower business travel expenses and time savings.

Because it uses electric vehicles, Flexy Moov is reducing the number of fossil fuel-driven vehicles (which are increasingly less compatible with air-quality and climate standards) on the road. This service gives companies the opportunity to safeguard the environment, comply with legislation (corporate mobility plans, France's new "LOM" law and WLTP standard) while enhancing their corporate image and improving quality of life at work for employees. The service has been rolled out at Bouygues Telecom's Technopôle site in Meudon, just south-west of Paris.

Bouygues Immobilier Indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Surface area of Green Office® commercial property developments in operation during the reporting period m ²	France and subsidiaries	94.8% of Bouygues Immobilier's consolidated sales	79,767	84,398	In 2019, work was still ongoing for phases two and three of Nanterre Coeur Université, while Trigone Quartz Opale, Nanterre Spring phase B and Enjoy Batignolles were handed over, totalling a floor area of 79,767 m ² .
Number of passive/positive-energy homes being built or handed over in the full year	Global	100% of Bouygues Immobilier's consolidated sales	732	374	The three developments Puteaux D and ABC (51 and 184 positive-energy dwellings, respectively), Oreka (17 positive-energy dwellings), Villa Clémence (19 positive-energy dwellings) were started, while work on Symbioz, Sensations and Ambitions continued.
Number of smart grids to be rolled out	France excluding subsidiaries	87% of Bouygues Immobilier's consolidated sales	6	6	The six smart grids under development span a surface area of 617,400 m ² .

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 Energie 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.

At Colas, energy consumption comes in a variety of forms, from fuel purchased for machinery to electricity consumption at quarries. The cLEANergie (Colas Lean in energy) programme was run between 2014 and

2017 to reduce the energy used by all operations at Colas, on construction and production sites as well as in buildings and logistics.

To reduce energy consumption, Colas is focusing its efforts on:

- measurement tools, with software deployed to monitor the output and energy consumption of asphalt mixing plants. This software, now entering its second iteration, can track energy consumption and asphalt mix temperatures in real time, and it can send alerts over the internet and to smartphones as well as providing reporting statistics. The software has been fitted to 31% of units, equating to 38% of sales before inter-company eliminations. Colas equips its road and plant vehicles with energy consumption monitoring systems, which record and analyse the energy drain of some 48,000 vehicles, across 2,000 production units and 800 worksites, and;
- 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 2019, 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 reduces production and transport costs;

- in-place recycling, which also saves energy by reducing the need for materials and transport.

At Colas, the programme for controlling and reducing energy consumption meets several sustainable development challenges; economic (including financial savings), environmental and safety.

For its own transport requirements, Colas also uses rail and inland waterways as an alternative to road haulage. The quantity of materials transported by rail or waterway increased 25% is equivalent to nearly 3,900 freight trains (with each train containing 44 freight wagons), which avoids using some 351,000 thirty-tonne trucks.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Energy used per tonne of asphalt mix produced (KWh per tonne)	Global	Asphalt mix production activities	79	78	The indicator deteriorated slightly in 2019, notably due to the inclusion of Miller group in Canada, a country where this ratio is hampered by the climate.
Warm- and low-temperature asphalt mixes	Global	Asphalt mix production activities	20%	22%	Warm asphalt mixes, which save some 15% in production-related energy relative to hot mixes. The percentage declined slightly in 2019 due to the inclusion of Miller, which on its own accounted for 6% of total hot-mix production and does not produce any warm mix. All employees remain committed to expanding the use of these products across all regions, adapting production facilities and conducting ongoing research to develop new solutions that enable lower temperatures to be used, the main rationale being to reduce risks to people's health. In 2019, as in 2018, the US subsidiaries achieved the highest levels. Branscome, which produces asphalt solely from warm mixes, is exemplary in this respect.
Total energy costs € million	Global	All activities	450	427	The 5% increase is due to the inclusion of Miller and McAsphalt in the 2019 scope. On an unchanged basis, energy costs fell by 3%.
Total energy consumption millions of MWh	Global	All activities	7.9	7.6	The 4% increase in energy consumption reflected the inclusion of Miller and McAsphalt. Excluding this, total energy consumption was 7% lower.

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, drawing

in fresh air from outside whenever the temperature drops below 9°C. Other best practices were also implemented, including regulating the air-conditioning units and shutting some off when weather conditions permit (40% of a data centre's overall electricity consumption relates to cooling).

Bouygues Telecom indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Total electricity consumption in GWh	France	100% of Bouygues Telecom's consolidated sales	648	555	Gross energy consumption on the mobile network increased, but in relation to data traffic (per terabyte carried) over the same period, power consumption fell 20% in 2019.

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) regulations. Positive-energy buildings produce more energy – much of which is solar, biomass or geothermal – than they consume. Challenger, the headquarters of Bouygues Construction^a, was transformed into a positive-energy building during its renovation. 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.

The first floating solar farm in France was handed over in late 2019 by Bouygues Energies & Services, in Piolenc (south of France). This power plant, comprising nearly 50,000 panels and situated on Lake Madone, can meet the annual energy demand of the municipality of Piolenc (i.e. 17 MW peak). Nature monitoring was conducted throughout the project to limit the impact of the installation.

Following the inauguration of the first agrivoltaic demonstrator in 2018, in south-western France, Bouygues Energies & Services signed a contract alongside Bouygues Bâtiment International to supply three new solar farms in Thailand (bringing the total number of farms built in that country to eight). Bouygues Bâtiment International will be responsible for the onshore work and for operating and maintaining the farms. Bouygues Energies & Services will oversee the design, the technical and legal assessments, and the offshore supply of the three facilities. These projects embody Bouygues Bâtiment International's strategy to develop – alongside Bouygues Energies & Services – its photovoltaic expertise as it seeks to meet the rising demand for solar farms in the Asia-Pacific region.

Wattway Pack: producing, providing and storing renewable energy

Colas took onboard feedback when developing its next generation of Wattway photovoltaic panels. These are more resilient and economical, achieving a 20% better performance than previously. Wattway Pack is a turnkey solution consisting of between 3 and 12 traffic-resistant photovoltaic panels that can be used to produce, provide and store renewable energy for roadside equipment, as a self-contained system. Wattway is particularly well suited to areas lacking a connection to the grid, but also in cases where connecting to the grid is technically challenging and costly. It can directly power charge points for electric bicycles or scooters, connected street furniture, CCTV and variable message signs. It represents a major step toward smart roads, whereby additional functions can be incorporated into road surfaces electronically. In April 2019, the Wattway Pack solution was certified by the Solar Impulse foundation.

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).



Bouygues Construction and Colas are those most exposed to water-consumption issues in sensitive 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 put in place systems, wherever possible, for recycling wastewater from concrete batching plants and liquid mud plants in order to water grounds, clean tunnel boring machines and produce concrete.

In 2015, Colas introduced new indicators to measure and limit the pressure exerted 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.

^a Challenger was the first building in the world to have achieved triple certification at the highest level in each case: HQETM Passeport Bâtiment Durable - Exceptional level, LEED® Platinum and BREEAM® Outstanding.

The methodology used to assess the Colas operating regions 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 2019 is estimated to be under 1 million cubic metres.

Colas indicators

Indicator	Scope (activity or region)	Coverage	2019	2018	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	5%	6%	In 2019, the number of sites in areas experiencing extremely high water stress decreased due to a change in the baseline map. Worldwide they represented 5% of sales before inter-company eliminations. Most of these sites were quarries and gravel pits but this also included workshops, depots, binder plants, asphalt mixing plants, ready-mix concrete plants and recycling platforms.
Water self-sufficiency rate in extremely water-stressed areas % of m ³	Global	100% of the total sales before inter-company eliminations of the permanent activities in highly water-stressed areas	77%	73%	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 rose 4 points to 77%, implying that most of the water consumed was obtained internally as opposed to from the local water supply, thereby preventing water shortages for other 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 total sales before inter-company eliminations of the permanent activities in highly water-stressed areas	60%	76%	By tracking its action plan progress indicators, as part of a continuous improvement process, Colas is able to monitor and reduce pressure on water resources in highly water-stressed areas. Implementation of action plans declined between 2018 and 2019 (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.

Colas has put in place a surface water and groundwater protection policy 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 HQETM*), 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.

3.3.4 Taking part in the fight against climate change

In January 2019, the CDP (Carbon Disclosure Project) placed the Bouygues group back on its Climate Change A List, which recognises the worldwide companies most active in the fight against climate change. Bouygues was previously ranked in CDP's A list in 2016. This achievement recognises the Group's carbon, climate and energy strategy. Special praise was given to the circular economy initiatives in the construction and telecoms businesses, the positive-energy eco-neighbourhoods and buildings, the timber construction methods, the development of solar farms and the work to improve energy efficiency in buildings.

In March 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 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 low-carbon strategy was discussed at the Group Management Meeting^a in May 2019, during which the threat of climate change was underlined and solutions relating to building and infrastructure construction as well as energy efficiency were presented.

a A meeting of the Group's top managers.

3.3.4.1 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. Bouygues Construction uses its own CarbonEco system, while Colas relies on CO₂/sales ratios.



As part of this work, the criteria selected for classifying an emissions source as significant (or not) are as follows: coverage^a, relevance^b and feasibility^c. 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 following 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 CO₂ 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 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.

Bouygues group greenhouse gas emissions

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total
Scope activity or region	Global	France (exc. subsidiaries)	Global	France	France	
Coverage as a percentage of sales	100%	87%	100%	85%	100%	94.4% ^d
Scope 1	1.5%	n.m.	10.1%	n.m.	0.1%	11.6%
Scope 2	1.5%	n.m.	0.8%	n.m.	0.2%	2.5%
Scope 3a	12.7%	3.2%	64.3%	1.8%	3.8%	85.8%
Total Scope 1 to 3a	15.7%	3.2%	75.2%	1.8%	4.1%	100%
Total Scope 1 to 3a (Mt CO ₂ eq.)	2.7	0.6	13.1	0.3	0.7	17.4
Scope 3b (Mt CO ₂ eq.)	6.6	n.c.	n.c.	n.c.	0.1	6.7
Total Scope 1 to 3b (Mt CO ₂ eq.)	9.4	0.5	13.1	0.3	0.8	24.1

n.m. is for non-meaningful, namely all figures under 0.05% or 0.05.

n.c. is for not calculated, namely all figures which have not been calculated to date.

a The reported information concerns the five sources with the highest emissions and/or that cover at least 80% of the emissions.

b Sources exhibit existing potential for improvement and the company has some control over them.

c The ability to collect reliable information.

d The missing 5.6% of the coverage corresponds to activities that have been recently added to the Bouygues Construction scope.

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. In addition, this exercise is tightly correlated to the volume of business from one year to the next, which can at times limit the usefulness of its analysis in absolute terms. In 2019, a change was made to the presentation of the reporting to show the differences between Scope 3a and Scope 3b.

The carbon audit underwent a certain number of methodological changes within the Group's business segments in 2019, owing to which the data cannot be compared between years. The purpose of these changes was to fine-tune and extend the scope to the entire lifecycle of the Group's products and services beyond the audited scope. In 2019, Scope 3 as a whole represented 90% of total emissions, while Scope 3b represented 28% of all scopes.

As announced in 2018, **Bouygues Construction** expanded its reporting in 2019, which meant extending Scope 3b to cover "Use of products and services sold". This is part of a policy to provide a broader view of carbon impacts after assets have been handed over to customers. The high volume of this emissions source results from the chosen methodology, which takes account of greenhouse gas emissions from energy consumption by handed-over buildings and the renewal of materials over 50 years of operations. This emissions source covers 86.5% of the total floor area handed over in 2019 by the building activities.

Colas added Miller McAsphalt group, acquired in 2018, to its audit scope for 2019. This new acquisition accounts for a sizeable amount of Colas' emissions, especially under Scope 3a. Its effects can be itemised as follows:

- 21%: upstream contribution of cement (Scope 3)
- 16%: contribution to Colas' direct energy expenditure (Scopes 1 and 2)
- 13%: upstream contribution of bitumen (Scope 3)
- 8%: upstream contribution of freight (Scope 3)

Bouygues Immobilier made changes to its reporting framework in 2018 to align itself with the E+C- label and obtain a Scope 3a and 3b carbon audit allowing for deployment of an operations-related carbon strategy that includes end-of-life emissions from building materials.

At **TF1**, the emissions source "purchases of goods and services" under Scope 3a underwent a change in methodology, concerning programme purchasing costs. Previously this data was based on the number of hours of programmes broadcast, but in 2019 the calculation was based on programme purchase price. In addition, the "tonnes of CO₂ equivalent" value for all purchases was recalculated based on the 36 Ademe categories updated to version 8.2 (a more up-to-date version than previous years).

The result for **Bouygues Telecom** was stable relative to the previous year.

Based on an unchanged methodology between 2018 and 2019, total emissions would have dropped by 2%.

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, through timber constructions, circular-economy initiatives and the sharing of telecoms infrastructure, is a priority for the Group in this area. Furthermore, Bouygues Construction and Bouygues Immobilier have detailed reduction targets in this field.

Greenhouse gas emissions by source

Simplified sources Bouygues group	Scope Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	2019 Group total
Energy consumption (on-site combustion)	Scope 1	1.5%	n.m.	10.1%	n.m.	n.m. 11.6%
Direct emissions excluding energy	Scope 1	n.m.	n.m.	n.m.	n.m.	n.m.
Consumption of electricity, steam, heat or refrigeration	Scope 2	1.5%	n.m.	0.8%	n.m.	0.2% 2.5%
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%	3.2%	49.1%	1.8%	1.3% 66.3%
Waste generated by operations	Scope 3a	0.3%	n.m.	2.5%	n.m.	n.m. 2.8%
Upstream and downstream freight transport	Scope 3a	0.9%	n.m.	6.4%	n.m.	n.m. 7.3%
Investments, fixed assets and leasing	Scope 3a	n.m.	n.m.	3.7%	n.m.	2.2% 5.9%
Travel of employees (business trips and commuting), visitors and customers	Scope 3a	0.5%	n.m.	1.3%	n.m.	0.3% 2.1%
Total scopes 1 to 3a		15.7%	3.2%	75.2%	1.8%	4% 100%

a Emissions related to the process of producing the energy (mainly the extraction and refining of gas and petroleum products) used (the combustion of these products is included in Scope 1). This corresponds to Source 8 in the Ademe method. These were recently included in Scope 1 by Colas.

Scope 3b

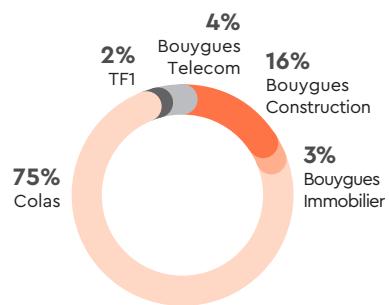
(Mt CO₂ eq.)

Use of products and services sold	Scope 3b	6.6	n.c.	n.c.	n.c.	0.1	6.7
End of life of products sold	Scope 3b	n.m.	n.c.	n.c.	n.c.	n.m.	n.c.
Total Scope 3b		6.6	n.c.	n.c.	n.c.	0.1	6.7

n.m. is for non-meaningful, namely all figures under 0.05% or 0.05.

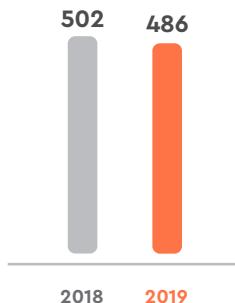
n.c. is for not calculated, namely all figures which have not been calculated to date.

**Greenhouse gas emissions by business segment
(Scopes 1, 2 and 3a)**



Carbon intensity of the Group (Scopes 1, 2 and 3a)^a

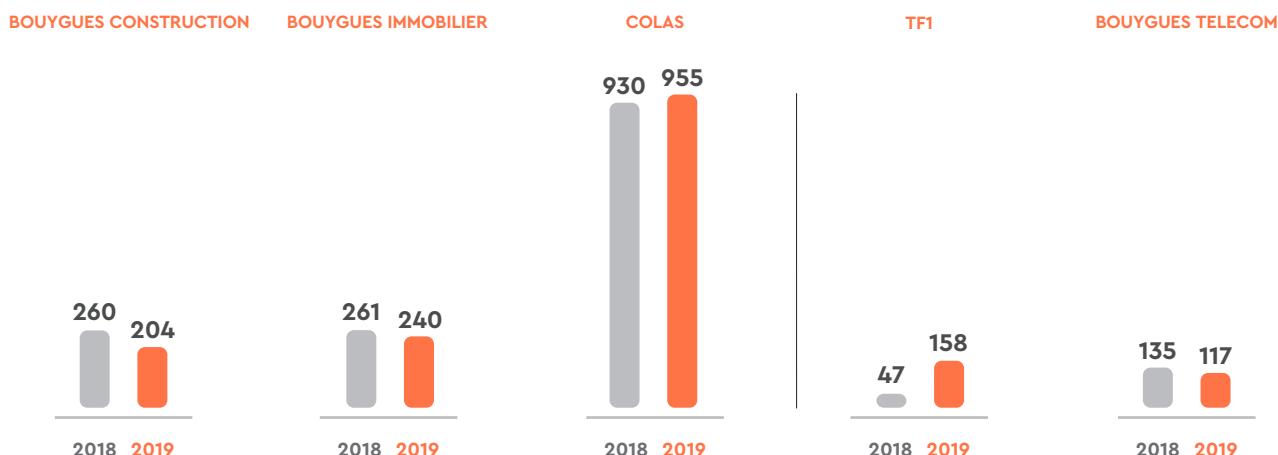
in tonnes of CO₂ equivalent per € million of 2018 restated sales



^a The Group's carbon intensity declined 3% from 502 tonnes of CO₂ equivalent per million € of sales in 2018 to 486 tonnes of CO₂ equivalent per million € of sales in 2019.

Carbon intensity by business segment (Scopes 1, 2 and 3a)

in tonnes of CO₂ equivalent per € million of 2018 restated sales



In line with its "Responsible and Committed" corporate vision, Bouygues Construction has pledged to reduce its carbon footprint, targeting a 20% decrease by 2030 relative to 2015 regarding scopes 1, 2 and 3a (up to the handover of the projects). Its approach is to highlight the CO₂ emissions avoided thanks to its policies and positive actions such as the expansion of timber construction, the use of low-carbon concrete and the reduction of energy consumption.

Bouygues Construction each year defines a "CO₂ to be avoided" target, calculated in reference to 2015, when the figure was 3 million tonnes of CO₂ equivalent (Scopes 1, 2 and 3a). In 2030, the target will be 20% of the 2015 carbon footprint. This methodological choice was made because the variability and diversity of activities and geographical locations make year-on-year analysis of Bouygues Construction's carbon footprint not very meaningful.

Colas has a twofold commitment to reducing greenhouse gas emissions by:

- improving the energy efficiency of its operations and materials by implementing a programme of reducing consumption; tight control over the energy consumption required for its activities;
- lowering the energy and carbon footprints of the products and techniques offered to customers.

To help reduce its own carbon footprint and that of its customers, Colas is drawing on its R&D policy to make more environment-friendly products:

To provide support in the places where it is located and to its customers as they strive to achieve low-carbon targets, Bouygues Immobilier has pledged to reduce greenhouse gas emissions in line with France's National Low-Carbon Strategy. For buildings, this strategy targets a 35% reduction in sector emissions relative to 2015 during the fourth carbon-budgeting period (2029-2033) and a decrease of 81% by 2050.

3

Correspondingly, Bouygues Immobilier has undertaken to reduce by 30% all greenhouse gas emissions from building construction and operation of these buildings (Scope 1, 2 and 3) between now and 2030, taking 2017 as the starting point. To prepare for the future 2020 environmental regulations (RE2020), progress will be tracked using the carbon intensity per m² indicator (the reference being 1,314 kg CO₂ eq/m² on average for residential and commercial property in 2017).

By 2050, carbon intensity per m² is due to be reduced by 80% versus the 2017 level. The targets for 2050 will be revised in 2030, based on the results observed over the next decade.

In 2019 the low-carbon strategy began to be rolled out, with each regional branch pledging a specific reduction in greenhouse gas emissions from its own production activities in 2020 and 2021. These commitments will be measured and recalibrated twice a year prior to submission to the Executive Committee.

To help teams on the ground, a carbon calculator compatible the E+C-thresholds has been given to employees. All operational staff will be trained in carbon-reduction methods in 2020. Finally, outside consultants and an in-house timber expert have been made available to teams should they require support.

Network equipment accounts for close to two-thirds of investments, equating to one-third of Bouygues Telecom's total carbon footprint. The solution enacted involves sharing equipment with other operators and encouraging its re-use.

3.3.4.2 Providing low-carbon solutions

The recognised expertise of its business segments (construction, media and telecommunications) has enabled the Bouygues group to design a full-service offer to help urban environments reduce their carbon impacts. For several years, the Group has been innovating to make measurable progress in energy and carbon, offering effective solutions in the areas of renovation, low-carbon construction, soft mobility and urban services.



- Renovation:** the millions of poorly insulated buildings is a key issue for the Group whose business segments have developed solutions and recognised expertise in energy renovation for housing, offices and amenities. These offers improve the business models of renovated properties 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 3.3.3.2). The renovation of its headquarters, Challenger, into a positive-energy building, is a showcase of its technological expertise.

- Low-carbon buildings** are economic and environmental profit centres. 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. These offers use:

- traditional and bio-sourced materials that can be re-used or recycled;

- smart systems for optimised building management (Bouygues Immobilier's Green Office® positive-energy buildings), as well as;
- renewable energy coupled 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^a 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^b.

- **Eco-neighbourhoods:** Bouygues and its partners offer local authorities integrated solutions combining sustainable construction, energy efficiency, functional 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 Bouygues group has taken part in the creation of two sustainable-city demonstrators in France, under the aegis of the government-backed Institute for Sustainable Towns (Eureka Confluence and Descartes 21 Marne-la-Vallée). They will serve to test, free from current regulatory constraints, ground-breaking innovations in all areas of urban life.

UrbanEra^c was selected to develop the Charenton-Bercy project (12 hectares including 3.6 hectares of green spaces), part of a call for bids entitled "Invent the Grand Paris Metropolitan Area", which was organised by the Grand Paris metropolitan authority, Île-de-France regional authority and Société du Grand Paris. The project aims to re-use or recycle materials on site and recover rainwater, plus 50% of energy should be renewable. All buildings will be highly energy-efficient (NF Habitat HQETM, LEED^d or WELL^e certifications) while a smart grid will help improve the management of both the heating network and locally produced energy while increasing consumption of the latter. 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, the Municipality of Beausoleil (south-eastern France) wants to upgrade its street lighting network to make it 100% LED^e (1,098 streetlamps). Bouygues Energies & Services has pledged to reduce electricity costs by 77.4%. It 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 supports local authorities in the implementation of solutions promoting sustainable urban environments. Bouygues develops transport infrastructure (tram lines and cycle paths) and provides soft mobility solutions, such as strong links to public transport networks, vehicle sharing, electric vehicle charge points, shared parking spaces and electric bikes for its eco-neighbourhoods. The Bouygues group offers local authorities innovative urban services based on embedded sensors (via the Internet of Things) as well as augmented transportation solutions.

a Energy Local Storage Advanced System.

b The Solar Impulse Foundation aims to select 1,000 economically viable solutions that protect the environment and promote them worldwide.

c Europe's largest call for tenders in the field of property development, urban planning and architecture.

d Quality standard for employee well-being.

e Light-emitting diode.

Mobility by Colas develops and offers practical and powerful digital solutions for meeting new 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, the Wattway Pack was marketed for the first time in 2019 (see section 3.3.3.2).
- **Flowell**, developed by Colas R&D in conjunction with CEA Tech^a, streamlines traffic on existing roadways by giving priority to certain users at specific times. Several pilot sites have been set up to test the solution in real-life conditions. The goal is to obtain feedback from local authorities and users on how relevant and easy-to-use the applications are and how well they integrate into urban environments. For example, In Mandelieu-la-Napoule on the French Riviera, an intersection known to
- be hazardous was equipped with the solution. A marked change was observed, with calmer driving, greater awareness of risks, and thus enhanced safety for pedestrians. Flowell was also given the "Trophée Or" award in the habitat, buildings and urban planning category at the 2019 Deauville Green Awards.
- **ANAVIS** is a made-to-measure solution intended for local authorities covering relatively large areas. It enables them to anticipate maintenance needs for their road networks and reduce infrastructure costs (see section 3.4.5.1).
- **Qjevo** limits disturbances for local residents and road users by guiding trucks to follow specific routes as a way of reducing traffic congestion.
- **Moov'hub**, a digital solution for managing car parking spaces, is currently being developed on the Paris-Saclay campus.

New shared smart car parking service from Mobility by Colas

To cope with the shortage of car parking spaces, Mobility by Colas developed Park'In Saclay, which was officially launched on 17 September 2019. Park'In Saclay is a shared smart car parking service, using which drivers approaching the Paris-Saclay campus receive real-time information on where there are free spaces (in both public and private facilities) and can then reserve one.

Much more than just a system for detecting free car parking spaces, Park'In Saclay helps manage traffic flows and optimises space. Open-data processing enables the Paris-Saclay development authority (EPA) and the local authorities to make better use of their car parking facilities by monitoring their use within the campus. Park'In Saclay also serves as a monitoring solution for those managing the car parking spaces, providing a full range of data that includes occupancy and profitability indicators. Parking spaces can also be reassigned to a new purpose, depending on needs.

Car-park optimisation is a major sustainable-development issue in which innovation can make a difference by helping to prevent those traffic jams caused by drivers looking for free spaces. This solution aims to improve urban quality of life by limiting above-ground parking and directing vehicles to underground car parks, resulting in a positive impact on traffic and pollution.

In due course the application will become a MaaS (Mobility as a Service) platform, providing a comprehensive overview of a given area's mobility services, including soft mobility, reduced mobility access and electric charge points.

^a The French Alternative Energies and Atomic Energy Commission.

In response to the partnership agreement relating to self-driving vehicles and future road usage 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 Linas-Montlhéry vehicle test circuit, just south of Paris, Teqmo's 12km of track will be used to test the environmental, safety and durability characteristics of self-driving, connected vehicles.

3.3.4.3 Promoting solutions adapted to climate change

From an environmental perspective, climate change leads to:

- rising sea levels,
- an 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 the current change in the climate, considering that sea levels could rise, while climate change also produces 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.

Bouygues Construction's ABC (Autonomous Building for Citizens) is an example of what the Group will be able to implement to deal with these

changes in the domain of buildings. 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, based on the partnership with the municipal authority, will be inaugurated in 2020. The future tenants have already had a chance to familiarise themselves with the concept by visiting a showroom opened on 4 September 2019.

Bouygues Immobilier factors bioclimatic architecture into its developments: research into the best location, bioclimatic research, choice of efficient insulating materials and the use of renewable energy sources. UrbanEra[®] sustainable eco-neighbourhoods introduce nature into urban environments, thus reducing the urban heat island effect and improving 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. 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.

^a A private group offering land-mobility services.

3.3.4.4 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). Bouygues Bâtiment Ile-de-France is putting to use its expertise in timber through its new Habitat Réhabilité subsidiary. A head of timber activities has been appointed by Bouygues Bâtiment France Europe.

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 a new technology, H-EVA, that Hoffmann Green Cement Technologies has developed. The carbon footprint of cement manufactured using H-EVA is 70% to 80% lower than with conventional Portland cement. The partnership represents a strategic alliance formed to respond to the impending climate emergency. Its consequences will help make the construction industry more environmentally responsible and sustainable. Cement accounts for 6% of all greenhouse gas emissions in France.

Studies conducted jointly by the two business partners will qualify the product for the certifications necessary for its implementation in Bouygues Construction projects in 2020.

The full support of employees will be required to make this a success. Colas continues to require vehicle drivers and plant operators to reduce fuel consumption by 20% through:

- eco-driving techniques, and;
- not leaving engines idling.

This initiative is based on a three-way message: better for efficiency, better for safety, better for the environment.

The two main targets, to be achieved by the end of 2024:

- equip 50% of road and plant vehicles with on-board data collection devices;
- ensure that equipped vehicles and plant have their engines switched off when idling in at least 80% of cases.

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	2019	2018	Remarks
Greenhouse gas emissions relative to the production of a tonne of asphalt mix Kt CO₂ eq per tonne	Global	Asphalt mix production activities	19	18	The situation deteriorated slightly in 2019, notably due to the inclusion of Miller in Canada, a country where this ratio is hampered by the climate.
Greenhouse gas emissions avoided as a result of action taken by Colas^a (in tonnes of CO₂ equivalent per year versus 2010)	Global	All activities	483,000	340,000	This indicator was completely recalculated in 2019 to take into account actions that are now fully factored in. The 2018 figure was recalculated on a pro forma basis. The sharp increase in the indicator is due to progress on alternative freight and recycling, resulting in particular from the integration of Miller and McAsphalt.

a Broadly speaking, action specifically involved limiting energy consumption by Colas at group level (fuel consumption by plant, vehicles and asphalt plant burners) and reducing the energy and greenhouse gas component of the products and techniques offered to customers (warm asphalt and asphalt mixes, in-place road recycling, recovery of road pavement for use in production of asphalt mixes, Végéroute® products, promotion of Ecologiciel® and Seve® eco-friendly alternatives software, Wattway, etc.)

Low carbon: the Group is in the top three French property developers

On 9 September 2019, the BBCA organisation announced the top ten low-carbon property developers based on data at 31 August, in which the Bouygues group was ranked third, with a total of five developments carrying the BBCA label. This was largely thanks to the contribution of Bouygues Bâtiment and Bouygues Immobilier. This ranking acknowledges efforts by the Group and its subsidiaries to reduce the carbon footprint of its buildings.

Bouygues Bâtiment has three BBCA low-carbon operations:

- Linkcity's operation to renovate the headquarters of Groupement des industries métallurgiques (GIM), in Neuilly-sur-Seine, was certified BBCA Rénovation for the construction phase, following handover in late 2018;
- Les Hautes Noues (a social housing and office development in Villiers-sur-Marne, near Paris, handed over in November 2018) was awarded the BBCA Neuf, Performance level in the construction phase. This timber-based development also received the Clé d'argent at the Clés d'or ceremony held by EGF-BTP (the association for French construction and civil works companies);
- the apartments built by Brézillon in Saint-Just-en-Chaussée, just north of Paris, have been awarded the BBCA Rénovation, Excellence level in the design phase.

Bouygues Immobilier has two BBCA low-carbon operations:

- Sensations, which is part of the îlot Bois programme in Strasbourg, is France's tallest 100% timber apartment building to date. This exemplary low-carbon construction was certified BBCA Réalisation 2018, Excellent level, thanks to its use of bio-sourced materials, and;
- Enjoy, the largest timber-frame positive-energy office building in France. Located at the heart of the Clichy-Batignolles mixed development zone, the building generates more energy than it uses through 1,700 solar panels on its roof and its connection to the district geothermal power plant. It has been awarded the BBCA Neuf in the construction phase label.

Operating fixed and mobile networks is Bouygues Telecom's largest source of energy 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 (a metric which is rising exponentially). By installing smart meters, Bouygues Telecom is developing real-time measurement of power consumption at its mobile sites. Over 4,000 of the 15,000 sites now have this kind of meter in operation. Best practices are also implemented such as optimising equipment installation in technical rooms to manage air flows and prevent hot spots. Containment solutions that optimise air-conditioning energy efficiency are becoming more widespread as new equipment is deployed.

3.3.4.5 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 a carbon-free 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, industry players 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 social challenges of tomorrow. One such project was Cité 2030, which designed new services based on various disruptive urban scenarios. Ideas Laboratory® is also developing a smart-thermostat solution specifically designed to help people in fuel poverty manage their budgets. The concept was tested in the homes of eight people living in social housing.

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 by promoting low-carbon buildings carrying this label.

a The French Alternative Energies and Atomic Energy Commission.

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 fragmentation of habitats and species, and;
- the possible emergence of invasive species related to certain work procedures or land take.

Bouygues Construction and Colas both have in-house environmental engineering units with the requisite expertise to design solutions to meet all these challenges. The Group has undertaken measures to limit such impacts and sustain biodiversity in its construction businesses.

In 2018, two Bouygues subsidiaries, Bouygues Construction and Bouygues Immobilier, pledged to protect biodiversity by signing the Act4Nature charter. This charter, started in 2018 by EPE (a non-profit organisation representing companies working to protect the environment), aims to protect, promote and restore biodiversity by bringing together those capable of providing tangible solutions. Companies signing up to the charter agree to uphold ten shared commitments, then specify the scope of their action through individual pledges.

Bouygues Construction's biodiversity policy has three strands:

- innovating and bolstering technical expertise;
- offering new products and services;
- getting involved in collective action with all stakeholders.

Bouygues Immobilier is targeting four solutions:

- integrating biodiversity at every stage of a property development;
- expertise recognised by a label;
- raising awareness about nature in the city, and;
- an enlightened approach to urban agriculture.

Colas Indicator

Indicator	Scope (activity or region)	Coverage	2019	2018 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 activities	52%	51% Some 70 protected species currently live at Colas' extraction sites; in addition some 50 sites are home to beehives. The biodiversity indicator rose by two points in 2019, reflecting the genuine progress made since this policy was first enacted in 2012 at the Colas Environmental Convention. This effort remains patchy, varying from one cultural context to another. While modest in the US and Canada (16%), it enjoys strong support in France and other countries where Colas operates (with a ratio ranging from 14% to 90%). Local residents always show support and interest whenever initiatives are deployed. There is evidence that the EOCE programme has contributed significantly to buy-in. The consolidated target for Colas subsidiaries in 2019 was 57%. The slower-than-expected progress in the year was notably due to the integration of Miller.

a French Foundation for Biodiversity Research.

b A laboratory specialised in environmental biomonitoring using bees.

In 2019, Bouygues Immobilier was the first company to sign the Metropole Nature charter, sponsored by the Grand Paris metropolitan authority. The charter will in due course have its own label (Métropole Nature) through which signatories will be able to earn recognition for their planned initiatives in favour of nature in urban areas.

To take proper account of biodiversity in urban development projects, Bouygues Construction has contributed to the creation of the first-ever worldwide label for recognising construction and renovation projects that factor in urban biodiversity. BiodiverCity is currently managed by IBPC^a, an organisation bringing together builders, developers, users and trade federations. Bouygues Construction is also helping design new benchmarks within the 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.

Bouygues Construction and Bouygues Immobilier have already used this label with several certified structures.

So far, 8,455 Bouygues Immobilier housing units are covered by this label or have applied for it. As an active member of IBPC, Bouygues Immobilier is also working to develop the technical specifications of the BiodiverCity Ready label at the neighbourhood level. This collaboration has been recognised by the BiodiverCity Ready label, design phase, awarded to Nanterre Cœur Université, a neighbourhood development project, as part of a trial for the future label. Working on a bigger scale will make it possible to integrate biodiversity issues in the development of future neighbourhoods, involving as many local stakeholders as possible and optimising ecological continuities. Bouygues Immobilier furthermore received the first-ever BiodiverCity label awarded in Poland for the Camélia housing project.

Bouygues Immobilier Indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Surface area in m ² carrying the BiodiverCity Ready label or covered by a commitment to obtain it at 30 September 2019	France excluding subsidiaries	87% of Bouygues Immobilier's consolidated sales	481,000	205,000	In addition to the Annemasse and Divonne-les-Bains projects, Nanterre Cœur Université (floor area 76,000 m ²) and Fabriques XXL in Marseille (200,000 m ²) are also working towards obtaining BiodiverCity Ready.

a International Biodiversity and Property Council.

Bouygues Construction indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Number of construction projects with the BiodiverCity label	Activities Global construction activities	45% of Bouygues Construction's consolidated sales	1	4	The Eole Evangile development project has received several labels such as BREEAM excellent, HQE Excellent, BEPOS-Effinergie 2017 and BiodiverCity. This eco-neighbourhood, which will be one of the first zero-carbon neighbourhoods, has over 6,000 m ² of green spaces, including public gardens, green roofs and allotments. The construction work is being carried out jointly by several operating units of Bouygues Bâtiment France Europe (Habitat Résidentiel, Construction Privée, Habitat Social and Brézillon). A multi-product project, it will comprise shops, offices, housing and sporting amenities, etc.



For several years, Bouygues Construction has been running R&D programmes investigating biodiversity in infrastructures (measures to stop invasive species, offsetting mechanisms, encouragement of marine biodiversity, etc.) and urban biodiversity (green roofs, biodiversity in property development, etc.). In 2019, Bouygues Construction's R&D division conducted research into protecting marine biodiversity during its construction projects. The commitment to biodiversity has been conveyed by a host of different actions, including:

- development of internal expertise on biodiversity, e.g. the environmental engineering team at Bouygues TP and the Elan team within Bouygues Bâtiment France Europe;
- participation in the annual National Biodiversity Conference since 2012, and;
- support for charities working to preserve biodiversity such as the French Bird Protection League (through Club Urbanisme, Bâti et Biodiversité).

Here is a sample of the projects in which measures to protect and reintroduce biodiversity have been taken:

- the work to extend the port of Calais, the design of which includes a resting place for birds and a bird-watching observatory, and;
- the offshore extension of Monaco's port area, where 500 m² of posidonia beds and 141 large Mediterranean clams were moved to

protected sites (primarily the Larvotto marine reserve). Marine infrastructure in this location has been eco-designed through the addition of ecological adjustments to the caissons, rockfill and outfalls, including the addition of artificial reefs. These ecological adjustments aim to improve the potential for nature to reclaim the space, restore lost ecological systems and provide for habitats and ecological corridors.

Biotope, the new headquarters of the Lille metropolitan authority, is a shining example of a building shaped by nature. The project 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. Right from the design phase, a wildlife survey was carried out by a local environmental scientist commissioned by Linkcity (Eco'Logic) to appraise the site's ecological value. The project has become a stand-out example in its field, as testified by BiodiverCity label and BREEAM Excellent and Well Gold certifications.

With the help of the specialist consultancy, Bouygues Immobilier has started thinking about ways in which it can take better account of vegetation when conducting operations. With the firm belief that the link between landscapers and project managers needs to be strengthened, a series of training modules and awareness-building exercises will be run in the coming months to improve recognition of biodiversity in the design process.

3

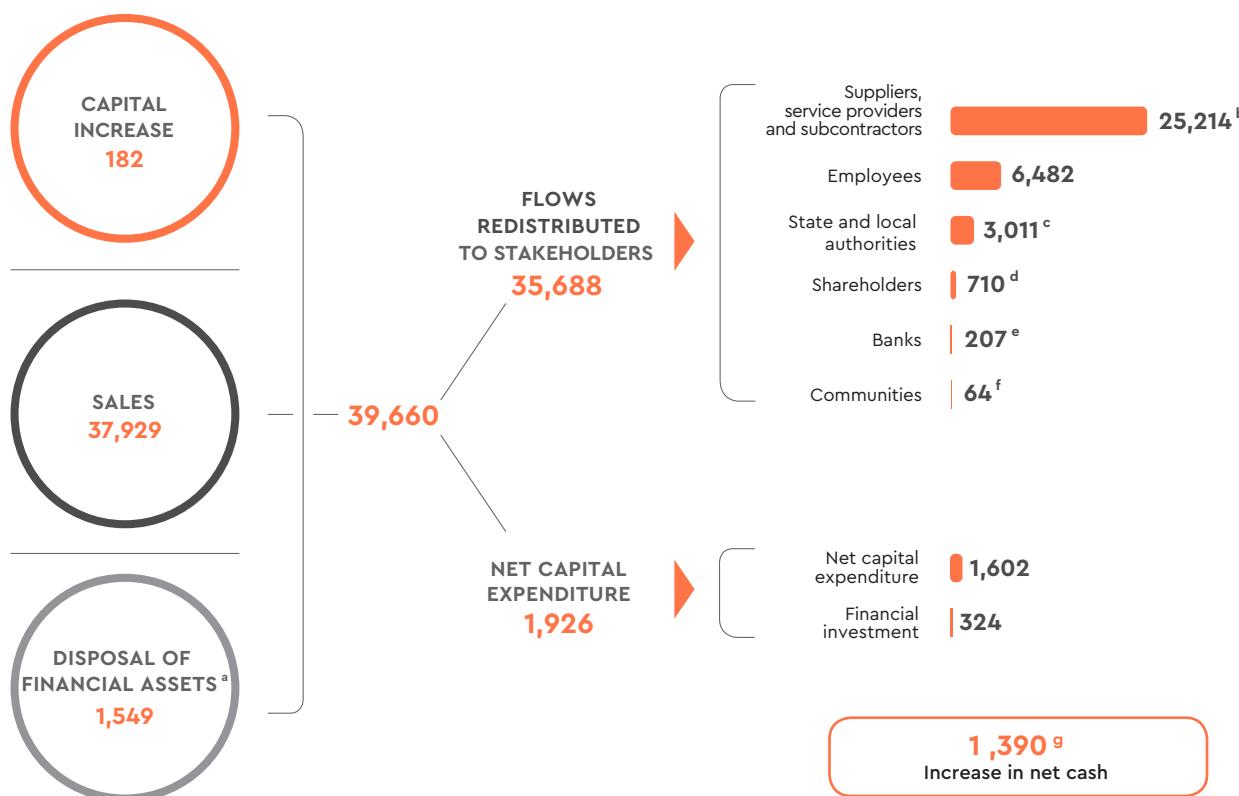
3.4 SOCIAL INFORMATION

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 2019

€ 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 Includes dividends from Alstom.

b Purchases and other external expenditure.

c Income tax, social security contributions and other taxes.

d 2018 dividends paid in 2019, of which €77 million paid to employees.

e Cost of debt and other charges.

f Donations, patronage and sponsorship.

g After changes in the working capital requirement (WCR) and currency effects.

3.4.1 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.

3.4.1.1 Revitalising the economy

Facilitate personal travel

The urban cable car that became operational in Brest in 2017 (and the one due to open in Toulouse in 2020) offers an alternative mode of transport that is environmentally friendly and more economical for passengers.

Develop the means of communication.

The roll-out of very-high-speed technology (4G and fibre) to cities 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.

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 very-high-speed broadband. By 2022, it plans to have 22 million premises marketed nationwide in France. Bouygues Telecom had nearly 12 million FTTH^a premises marketed at end-Q3 2019, up 4.6 million year-on-year. As well as laying fibre in urban areas, Bouygues Telecom distributes its services on Public Initiative Networks (PINs). Agreements with the PINs of Axione, Covage, Altitude Infrastructure, TDF and Orange have been signed.

Help French SMEs communicate

Additionally, TF1 Publicité has an offer especially for French SMEs to help them gain visibility and access the nationwide market – a further sign that the advertising slots on TF1's main TV channel are not merely reserved for multinationals.

3.4.1.2 Housing people

Help provide access to housing and urban services.

With its diverse offers, Bouygues endeavours to meet the needs of first-time buyers and users of social housing. Bouygues Immobilier markets a significant portion of its developments (68% of block reservations in 2018) 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.

Fight fuel poverty

Bouygues Construction's programme that provides energy renovation for social housing, without the need to decant the occupants, 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), one of which was handed over in summer 2019.

3

New socially responsible housing programme

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. It is based on three pledges by its partners:

- the desire to bring together all sector players and encourage them to cooperate for the benefit of residents by reducing the overall cost of the project. The municipality of Stains, Plaine Commune, Plaine Commune Développement and Atelier Pascal Gontier (the architect), have participated in this phase of co-production;
- the pledge by Bouygues Bâtiment Île-de-France Habitat Social to work at cost price only;
- the pledge by social landlord Seine-Saint-Denis Habitat to pass on the resulting savings to its tenants in the form of lower rents.

These three commitments mean that high-quality housing can be offered in exchange for rents that are 20% lower than for a conventional programme.

In keeping with the tenets of the social economy and sustainable development, these homes will be fitted with high-performance heating management systems, including solar panels. They will be built to PassivHaus^c standards and will also benefit from participatory design and management of the external spaces, in order to reinforce social bonds between the residents.

The project consists of two buildings with a total floor area of 3,600 m² containing 59 apartments of two to five rooms. Handover is scheduled for the third quarter of 2021.

a Fibre-To-The-Home.

b Thermal renovation aiming for a passive energy score.

c A German building energy performance label.

3.4.1.3 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 57,037 employees 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 66,648 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 in which it made three commitments:

- "a job and occupational integration initiative for each worksite";
- "a job and occupational integration initiative per year on each of its long-standing sites", and;
- "and a training initiative on each major worksite subject to an occupational integration clause".

Having this policy gives actions a more qualitative dimension, especially as regards initiatives to help job-seekers and secondary school students in priority education networks.

Bouygues Construction also invests in helping people who have difficulty finding work. Bouygues Travaux Publics has been working in partnership with SAS Coluche since April 2018. This charity, founded by the Municipality of Calais, aims to identify young people who have dropped out of school and help them into work. Once they have rebuilt their self-confidence and trust, these young job seekers are assisted by Bouygues Travaux Publics, which offers them work on the Port of Calais extension project. This partnership enables Bouygues Construction to take action at grassroots level.

Colas partners with GEIQ^a to combat discrimination in access to employment via actions applied locally. Around 40 people work at Colas subsidiaries in France under this type of contract. In addition, Colas subsidiaries have increased their involvement in the Hope^b project by hosting around 20 refugees. Each of them is given lessons in French, training in worksite health & safety and is offered a placement to see the company at work.

Finally, the TF1 Corporate Foundation focuses on diversity and helping young people find employment by recruiting, each year, people between the ages of 18 and 30 from underprivileged areas through a competitive process. Additionally, the foundation each year organises an inter-company internship scheme aimed at 14/15-year-olds. Lastly, the foundation encourages TF1 employees to take part in the "Stop Illétrisme" anti-illiteracy programme, whereby help in reading and writing can be given to the employees of service providers.

Bouygues Construction indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Number of hours devoted to occupational integration and the corresponding FTE ^a equivalent (France)	France	45.3% of Bouygues Construction's consolidated sales	1,078,625	1,250,596	After having defined and structured its goals in the fields of employment and occupational integration in 2017, Bouygues Construction continues to be firmly committed on this path. The company went over and above its contractual obligations in 2019 by carrying out tangible initiatives in all its operations.
Percentage of expenditure favouring local companies	Global	85% of Bouygues Construction's consolidated sales	90%	91%	This indicator was stable at a high level. Local purchasing equates to a purchase within the country. Purchases were made in 2019.

a Full-time equivalent

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, subsidiaries of Colas Canada have been taking steps to integrate First Nations people into crews working on projects located on their ancestral land. 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.

In the Philippines, VSL, a Bouygues Construction subsidiary, joined the Youth Inclusion Network, a network of companies committed to fostering the occupational integration of underprivileged young people as a means of fighting social exclusion. VSL is active both in the field and in the governance of this NGO, whose members offer special internships and help find work for these young people.

a French national committee for coordinating and evaluating groups of employers that promote occupational integration and vocational training.
b "Hébergement Orientation Parcours vers l'Emploi".

3.4.1.4 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. All those responsible for making shows are given specific training on how to take account of diversity in all its forms (see also section 3.2.3.4 on the representation of women on air).

3.4.2 Relations with people and organisations affected by the company's business activity

3.4.2.1 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 even more into account.

In 2019, Bouygues published its second Integrated Report^a as a summary of the Group's vision, strategy (and that of its subsidiaries) and corporate culture, showing how it creates value for its stakeholders and specifying its four pledges. Following the publication of the first Integrated Report in 2018, a consultation with the stakeholders identified the report's strengths and areas for improvement.

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.

A system for optimising feedback from customer advisers or sales staff in direct contact with customers was implemented by Bouygues Telecom in July 2018. Called "Be Progress", it helps manage the customer experience more effectively. The system combines all the previous arrangements into one simplified process so that complaints and errors affecting the customer experience can be sent and resolved more easily as part of a team effort.

For the second consecutive year, Bouygues Telecom also held an open day at each of its six customer relations centres, during which around 100 customers were able to learn about what being a customer advisor entails and listen in on a session. In 2019, Bouygues Telecom also appointed a new Customer Committee, which consists of 20 customers selected in accordance with certain criteria (gender equality, all ages represented, mobile and/or box customers, different lengths of time with the company, all social and professional backgrounds, across all regions). Since 2015, customers have had a say in the continuous improvement of its products and services thanks to the opportunity to voice their opinions through the Customer Committee. Its purpose is:

- to identify and prioritise expectations;
- to ensure the continuous improvement of service quality;
- to promote dialogue with specialists from all the activities and with the Executive Committee, and;
- to choose three favourites from the ten NGO projects selected by the Bouygues Telecom Corporate Foundation each year

At TF1, the news mediator receives opinions, queries and any complaints concerning news broadcasts on TF1 and LCI, via the Viewer Relations section^b 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.

Being attentive to customers and satisfying them

The business segments place satisfying and listening to customers at the forefront of their concerns. Measuring customer satisfaction is a basic requirement of ISO 9001 (quality management system). Bouygues Construction and Bouygues Immobilier 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 many different expectations of 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.

Colas Bâtiment gives out satisfaction surveys to residents during its occupied building rehabilitation worksites. 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.

3

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), Colascope (blog.colas.com), Le Mag (blog.bouyguestelecom.fr) <http://www.bouygues-construction.com/blog>

a Available at bouygues.com.

b www.lci.fr/la-mediatrice-vous-repond.

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 linked to acquisition or delivery, together with the Net Promoter Score, give information about customer expectations and help apply continuous improvements in the quality of services and developments.

Through its "Les Experts" community composed of in-house volunteer experts, who are on hand to deal with highly technical questions,

Bouygues Telecom supports customers in their digital lives through social media (such as Facebook and Twitter) as well as through its help forum (over 1.7 million visitors a month).

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.

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.

Forging ties with local residents to encourage social cohesion

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 using which neighbours can exchange services, Bouygues Immobilier is working to foster friendly atmospheres in its apartment buildings.

- Les Fabriques, developed by Bouygues Immobilier and Linkcity in Marseille, is an example of a neighbourhood integrating into an existing social and economic ecosystem. By promoting the usage economy, fostering ties, creating shared living spaces and connected services, Les Fabriques focuses on the circular economy, creativity and mixing the use of space, as well as on new lifestyles and ways of consuming. The first phase of this future neighbourhood is based on an economic model that prioritises technological and digital innovation, in what will be the largest makerspace in France.
- The participative arts laboratory in the future Nanterre Cœur Université neighbourhood, which is being developed by Bouygues Immobilier, is exhibiting various works of art throughout the construction site. All local residents are invited to share their visions of this urban project. Over 22 local organisations, NGOs, and primary and secondary schools have participated in the scheme. This helps to forge links with the local community in neighbouring areas, in turn helping to gain acceptance for this redevelopment project, which can cause major disturbances for local residents.

Consultation exercises and local dialogue

At the local level, procedures have been introduced to promote grassroots dialogue between site and worksite managers and local residents, as well as to 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 families of prospective residents are attending workshops there in order to co-design their housing. 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.

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 residential development. It was created along with a café bar and a coworking space^b, providing residents with places to meet for both work and leisure.

Acceptance of production sites by local residents is becoming an increasingly sensitive issue for Colas worldwide. Issues include concerns of nuisances (odours, dust, traffic, noise) and risks of environmental or health impacts. Colas has identified community acceptance as one of its CSR priorities and has initiated 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;
- **regular dialogue with local residents, elected representatives and the relevant 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 Co-design methodology developed at Stanford University in the 1980s. The process (e.g. for designing a product) uses interviews to establish what end-users do, think, feel and say, with a view to moving from an idea to a prototype, and finally to the testing phase.

^b Shared workspaces.

Colas Indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	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	44%	47%	A special indicator was introduced in 2006 to assess the extent of dialogue with residents, local elected representatives and the relevant authorities. In 2019, this indicator fell by three points while the consolidated objective for the subsidiaries stood at 50%. This relative fall is linked to the 7% rise in sales (before inter-company eliminations) generated by material production activities that had a local dialogue scheme, and the 14% rise in sales (before inter-company eliminations) generated by materials production activities. This is largely accounted for by the inclusion of Miller and McAsphalt group in the reporting this year, which led to a drop of 20 points in this indicator for Canada. A working group has been set up to implement tools enabling progress to be made on this issue, still with the target of crossing the 50% threshold in the next two years.

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 urban-development or property-related projects, they also listen to local populations and stakeholders using methods such as interviews, digital co-creation platforms and recording vox pops with passers-by.

3

CityPlay, tools for urban co-construction

With CityPlay, a new approach to sustainable districts and urban environments, Bouygues Construction promotes co-construction initiatives with local eco-systems of business partners and residents.

By making the smart city for and by its residents, through the use of tools which involve them in the development of projects, Bouygues Construction is boosting the appeal of urban environments and fostering the well-being of their users.

Residents have an input at all stages (community survey, co-design, urban planning etc.), but they are also encouraged to become active members of their future communities (helping with business creation, participation in how the community is run, etc.). These tools have been brought together under the CityPlay label.

CityPlay has already made its mark on over 30 projects, including La Maillerie in Lille (urban planning), Les Fabriques in Marseille (creation of new activities within a 'makerspace'), Share in Tours ('serious game'^a, and the Smart City projects of Bouygues Energies & Services.

As a signatory to the Operator-Municipality Guidelines (GROC) in 2006, Bouygues Telecom has developed relationships with local authorities based on transparency and consultation. Before installing masts, Bouygues Telecom enters into dialogue with local elected representatives and informs local residents about its plans. In accordance with the decrees enacting the Abeille law, in 2017 Bouygues Telecom increased its efforts to disseminate information in its municipality information pack and adjusted its method for calculating exposure to incorporate the new national ANFR^b guidelines.

Bouygues Telecom presents the pack to the relevant local representatives as soon as there are any plans to roll out a programme in their community. It collects together their recommendations regarding the location of future mobile sites to ensure the widest possible acceptance by residents.

Finally, with the aim of responding efficiently to the challenges of digital development in less densely populated areas where roll-out of infrastructure is made more difficult because of the terrain,

Bouygues Telecom has developed partnerships with two associations dedicated to the specific needs of mountainous and rural areas in France, 'Association nationale des élus de la montagne' and 'Association des maires ruraux de France' (AMRF).

3.4.2.2 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.

a Combines the fun aspects of video games (game), with more serious aspects (serious), such as training, communication or information.
b National Frequencies Agency.

Each of the Group's five business segments also carries out its own patronage initiatives through foundations set up for this purpose.

Since 2005, the Francis Bouygues Foundation has been providing high-achiever grants to enable motivated school leavers from low-income backgrounds to pursue their studies. 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 in working life. As well as providing advice and moral support, mentors can give their mentees help with finding an internship. Its fifteenth year marked a turning-point in the Foundation's history, because for the first time it took in 100 grant-holders, compared with 60 in previous intakes. Since its creation, it has supported 889 students, of whom 418 have graduated.

Group spending on patronage and sponsorship

€ '000	The Francis Bouygues Corporate Foundation	Bouygues SA	Bouygues Construction	Bouygues Immobilier	Colas	TF1 ^a	Bouygues Telecom	2019 Group total	2018 Group total
Cash spending on patronage and sponsorship	1,336	1,753	4,812	1,898	6,601	4,093	605	21,098	18,454
Spending in kind on patronage and sponsorship (value)					233	42,371	103	42,707	35,168
TOTAL	1,336	1,753	4,812	1,898	6,834	46,464	708	63,805^b	53,622

a Spending by TF1 is calculated on a calendar-year basis; for the others, it is calculated on the 12-month rolling period from 1 October 2018 to 30 September 2019.

b The total amount of patronage spending (in cash or in kind) increased by 19% between 2018 and 2019, in particular because of a large increase for TF1 attributable to new donations in kind from the DTT channels and a rise in donations of advertising

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.

TF1 gives airtime to a broad variety of causes and charitable organisations: Les Pièces Jaunes, Les Restos du Cœur, Sidaction, ELA (the European Association Against Leukodystrophies) and the Laurette Fugain association (a leukaemia charity). The TF1 TV channel provides charitable organisations with direct assistance while helping them gain in profile. This includes special prime-time operations, the production and free airing of TV spots as well as donations of game-show winnings and cash donations.

Bouygues Telecom organises voluntary work for employees throughout the year. In late 2019, for example, 45 employees volunteered via Pro Bono Lab to help a dozen or so charities.

Since the bill entitled "For a Digital Republic" became law in 2016, Bouygues Telecom has offered mobile customers the opportunity to make charitable donations simply by sending a text message to the special short number allotted to the charity. Donations from Bouygues Telecom customers since the beginning of this service total €456,000.

Since 2010, the Bouygues Immobilier Corporate Foundation has been a partner in the major "Les Médiateur" project run by Unis-Cité, in which families living in underprivileged neighbourhoods are shown, over a period of six to nine months, how to develop eco-friendly behaviour in their day-to-day lives.

Bouygues Construction indicator

Indicator	Scope (activity or region)	Coverage	2019	2018	Remarks
Number of partnerships ^a during the year supporting integration, education and healthcare	Global	85% of Bouygues Construction's consolidated sales	336	444	Despite a slight decrease, Bouygues Construction remains committed to boosting the vitality of the areas in which it operates, by forging numerous partnerships with local charities.

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.

Since 2008, the Bouygues Construction Corporate Foundation, Terre Plurielle, has supported over 290 community projects promoting access to education, the labour market and healthcare. These are sponsored by 354 employees of the Bouygues Construction group, both in France and abroad. In total, 216 charities in 36 countries are supported through these initiatives.

Colas' patronage policy is based on three major avenues:

- cultural patronage: the Colas Foundation commissions paintings on the theme of roads and Colas en Scène supports new dance works and music festivals;
- community patronage: Colas Life supports educational assistance initiatives;
- scientific patronage: FRB^a, Institut France Ville Durable.

The Bouygues Telecom Corporate Foundation has over 1,165 volunteers from within the workforce. When they become charity volunteers, employees can spend 14 hours of their worktime each year on patronage initiatives. The foundation, in addition, offers employees an opportunity to propose favourite charities of their own choice for patronage. In 2019 the Bouygues Telecom Corporate Foundation financially supported ten charitable projects proposed by the operator's customers, as it does every year. These projects make use of digital technology to serve the community. Out of these ten, the Bouygues Telecom Customer Committee chose four favourite projects that focus on helping people encountering social or medical hardship.

Following a hackathon^b organised on behalf of Surfrider Foundation Europe and involving several teams from Bouygues Telecom, employees came up with the Ocean's Zero app, which helps users learn how to reduce the amount of waste they generate each day. In June 2019, Ocean's Zero won a "Netexplo Change 2019" award in Paris.

The partnerships created by Bouygues Immobilier's corporate foundation with Unis-Cité over the past decade, and "Ticket for Change" since 2017, also involve employees (see section 3.4.2.2).

Committed to urban planning and urban environments

Within Bouygues Construction, Bouygues Bâtiment International is also a sponsor of the "Global Awards for Sustainable Architecture" organised by La Cité de l'Architecture et du Patrimoine. These prizes are awarded annually to five architects for innovation in sustainable development.

Bouygues Travaux Publics has been supporting the first "Sport dans la Ville" centre in Marseille by providing funding and human resources since its opening 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 Ile-de-France has developed an app, "Naturellement Engagés"^c, to promote exemplary sustainable-development projects among customers and other stakeholders.

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 2019 the Foundation maintained its commitment to developing social cohesion by supporting Unis-Cité's Médiateerre programme and the non-profit Ticket for Change. With the support of its "Demain la ville, le Lab." think tank, the Foundation also mounted the "Décloisonnons la ville!" ('Opening up the city') exhibition on the theme of social innovations in the city. 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.

3.4.2.3 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 SA, alongside Alstom, participated in the Advanced Master in Smart Cities Engineering and Management offered by École des Ponts ParisTech and EIVP^d.

To develop training programmes in sustainable construction techniques, the Group co-designed the specialist masters-level course in sustainable housing and construction alongside ENSAM^e and ESTP^f.

TF1 and Bouygues Telecom have run open innovation initiatives (such as hackathons and student project support) in the context of Le Spot Bouygues at Epitech IT school, where 120 m² of space is reserved for students working on some of the Group's innovative projects. Bouygues Telecom collaborates with Webschool Factory, Epitech, ECE^g and Edhec^h on various initiatives, from helping organise innovation open days to sitting on judging panels, supervising final-year projects and organising 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". The aim is to train engineers who are competent and open to change, capable of adapting to a network environment that is constantly evolving and of integrating 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" chairⁱ, worksite modernisation) and Stanford University in California (BIM).

a French Biodiversity Research Foundation.

b A short-term event attended by volunteer specialists who collaborate on a computer programming or digital creation project.

c www.naturellementengages.com.

d École d'ingénieurs de la Ville de Paris.

e Arts et métiers ParisTech.

f École spéciale des travaux publics, du bâtiment et de l'industrie.

g École centrale d'électronique.

h École des hautes études commerciales.

i A research chair focused on increasing the productivity of the construction sector, bringing together doctoral students, young researchers and Bouygues Construction employees.

In May 2018, Bouygues Construction and École Centrale de Lille signed the agreement governing the Construction 4.0 chair, in the context of which a team of doctoral students, young researchers and Bouygues Construction employees will research the following three fields:

- robotics and worksite automation;
- worksite optimisation, and;
- implementation of disruptive methods.

Bouygues Construction has also started a project called the worksite of the future based on new academic partnerships with several universities in France and abroad (Technical University of Munich, University of Texas

at Austin and Harlington, Université de Sherbrooke and University of Alberta in Canada, and Lund University, Sweden).

Colas is developing several partnerships in France and abroad. Colas has forged academic partnerships with universities and other higher education establishments (e.g. University of Birmingham and of Alberta in Canada, École Centrale engineering school in France, MIT^a in the US, ESTP etc.) and scientific and R&D bodies and companies (Ineris^b, the CEA^c, ChemSud^d, FRB^e.

For additional information, see section 1.1.4 "A strategy of innovation for the benefit of users".

3.4.3 Partners, suppliers and subcontractors

Bouygues' overall performance is intrinsically linked to that of its partners, suppliers and subcontractors, which now number around 157,000. The selection of innovative products and services in technological, environmental and societal terms is essential to be able to offer the most state-of-the-art and responsible solutions. 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. Lastly, Open Innovation policy at Bouygues can also be seen through its programme supporting start-ups.

3.4.3.1 Integrating CSR criteria into the purchasing policy

For several 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 established its third vigilance plan for suppliers and subcontractors, which sets out the measures taken by its subsidiaries to prevent and mitigate the main risks identified in the areas of human rights, personal and environmental health and safety, and details how these measures are monitored (see Chapter 4, "Risks and risk management", section 4.1). 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.

Over 2019, the Group's business segments made further progress in implementing their responsible purchasing policies. The purchasing departments of the Group's business segments are key to implementing these policies, which have three main components:

- assessment of subcontractors and suppliers;
- careful selection of products and materials for their activity;
- responsible purchasing principles.

In accordance with remarks by the auditor with regard to 2018 and comments by the AMF, Colas introduced a new purchasing procedure taking into account responsible purchasing principles and laying down rules for selecting and assessing suppliers in October 2019.

It will be rolled out in 2020. An International Sourcing department, whose pre-selection criteria for suppliers will include CSR, is being set up. In November 2019, Colas set up a training program for English-speaking buyers containing specific modules on responsible purchasing. In 2020, suppliers concerned with calls for tenders relating to fixed assets (capex) will have to complete a CSR questionnaire drawn up by the Purchasing department and the Equipment department. CSR criteria will form an integral part of the overall assessment of suppliers. Scorecards for short-listing suppliers will be introduced in the course of 2020; these will take both financial and non-financial criteria into account.

Action plans relating to the duty of vigilance will gradually be rolled out in the various regions, starting in the second quarter of 2020. Bouygues Construction continued the roll-out of its new responsible purchasing policy in 2019. A total of 119 purchasing employees were trained in the important issues related to responsible purchasing. Ten associated targets covering all sectors were individually selected and set for them in their 2019 appraisals. Four were mandatory and six were optional. An international CSR purchasing committee was also set up in 2019 to complement the one that already operates mainly in France. Its remit are themes such as reducing plastic, socially-responsible initiatives and the circular economy. A new tool called "Constellation" is also being rolled. One of its modules is dedicated to the assessment of suppliers and sub-contractors according to six criteria, one of which is CSR.

Bouygues Telecom has drawn up a plan 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 Massachusetts Institute of Technology.

b French environmental safety institute.

c The French Alternative Energies and Atomic Energy Commission.

d European chair for new chemistry for sustainable development.

e French Biodiversity Research Foundation.

Assessment of subcontractors and suppliers

Bouygues Construction, Bouygues Immobilier, TF1 and Bouygues Telecom map CSR risks by purchasing category and use external assessment tools to evaluate and monitor the social and environmental performance of their suppliers and subcontractors. 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. The long-term aim is for these audits to cover all countries and purchasing categories. 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. Furthermore, Bouygues Construction UK has become a partner of the Supply Chain Sustainability School, a collaborative training institution.

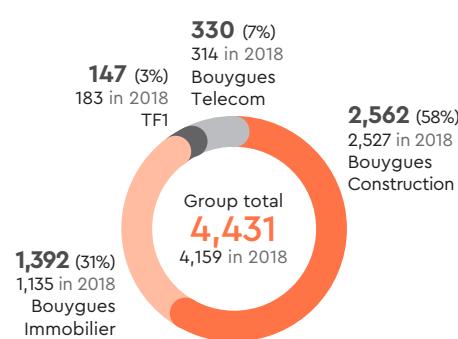
Bouygues Immobilier assesses most of its suppliers and subcontractors using a framework contract available on the EcoVadis platform. Small, medium-sized and micro businesses are assessed via a digital platform to improve monitoring of their CSR performance. The company wants all of its suppliers assessed using this platform by 2020.

2019 marked the tenth anniversary of Bouygues Telecom Initiatives, a venture capital fund which seeks to support open innovation by providing start-ups with equity capital and making it easier for them to launch their first commercial product, thus nurturing a spirit of shared partnership with suppliers and encouraging the co-creation of value.

Bouygues Construction launched a quarterly newsletter called *Fournisseurs* (Suppliers) to share its ambitions and experience; the first issue, which was sent to nearly 20,000 external recipients, focused on responsible purchasing.

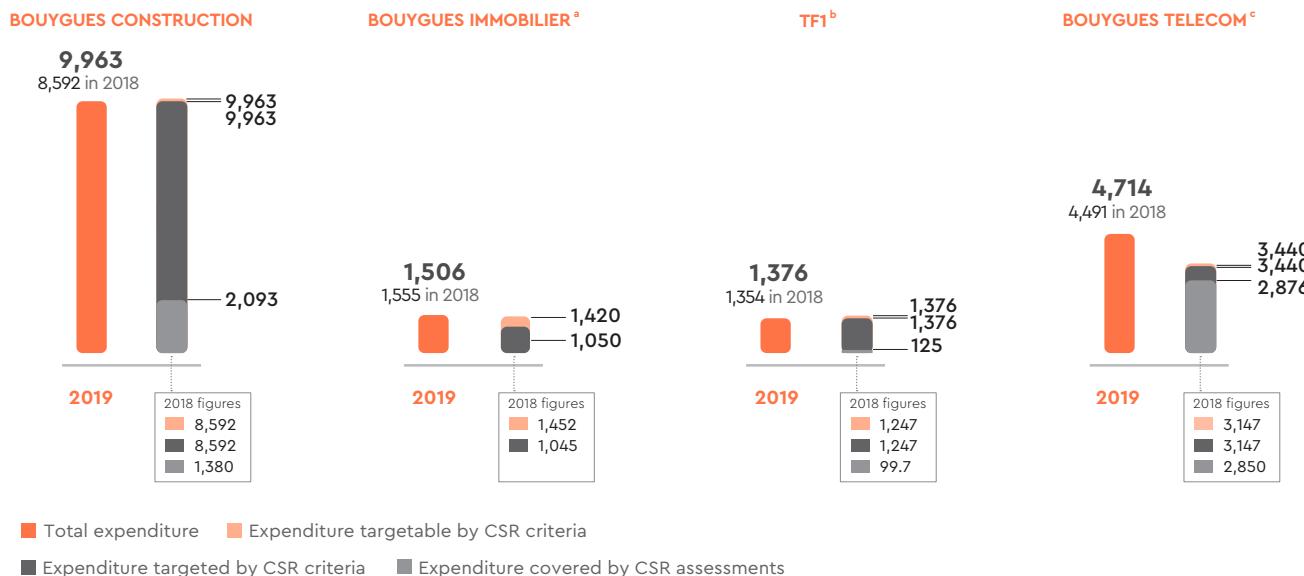
TF1 carried out an anonymous survey of 746 suppliers (25% response rate) to measure their satisfaction with the quality of the relationship generally and to identify the main areas for improvement.

Number of suppliers and/or subcontractors that underwent a CSR assessment over the past two years



Share of business segment expenditure targeted by CSR criteria or covered by CSR assessments

€ million



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.

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.

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 initiative, undertaken under its partnership with WWF France, led to the publication of a guide to purchasing sustainable timber (see section 3.3.3.2). Colas continues to work on including carbon footprints in all bids for purchases of binder production units, asphalt mixing plants, trucks and other vehicles. Furthermore, it has won several awards for its work clothes, made in accordance with fair trade principles. In 2019, Colas strengthened monitoring and broadened the process to include workwear manufactured for subsidiaries located in developing countries, most notably in Madagascar and Morocco.

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.

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, Bouygues Telecom, TF1 and Colas^a, and by Bouygues Construction's conclusion 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 March 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 in 2019 was the appointment of an internal mediator (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: the rate of electronic billing achieved by the top 101 suppliers managed by Purchasing at Bouygues Construction rose from 38% to 67% during 2019. At Colas, efforts were made to shorten approval procedures and deploy tools to promote digital documentation.

Lean management initiatives were conducted in several Bouygues Construction entities (Bouygues Maroc, Bouygues Energies & Services and Bouygues Bâtiment Ile-de-France) to improve payment times for suppliers and business partners. Since 2017, the proportion of invoices paid on time based on this scope increased by 15 percentage points to nearly 90%. The target is 100%. TF1 undertook to halve the percentage of invoices paid late by 2021. It has mobilised its Executive Committee and implemented related action plans, such as simplifying the ordering process.

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).

a The Colas code is currently being drafted.

3.4.3.2 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 unit 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.), in 2015 Bouygues Construction founded Construction Venture. The purpose of this investment fund is to invest in and support strategic start-ups. So far, Construction Venture has invested in six start-ups.

In 2019 Bouygues Construction forged important new partnerships with two start-ups:

- Smiile, a Wizom Réhabilitation service, is a way of pooling resources and neighbourhood networks on the scale of an apartment block, a district or even a city.
- K-Ryole makes electric trailers that allow construction site workers to move heavy loads far more easily.

Bouygues Construction is also developing "Matching Up". This programme supports and speeds up innovation projects. "Matching Up" enables operating units of Bouygues Construction to connect with start-ups that could meet their needs. Since 2015, some 200 start-ups have been tested in the field and around 15 of them have been involved in more ambitious cooperation. As part of "Matching Up", a call for innovation on the theme of universities and campuses was launched in 2019 with the aim of identifying appropriate, practical solutions for the construction of future university campuses. At the end of this call for projects, which involved 142 start-ups and SMEs, around 30 start-ups were selected to develop a collaborative project.

During the 2019 edition of Bouygues Construction's "New Value" intrapreneurship programme, four projects were supported for five months to develop a range of products and services, adapt them to the market and fine-tune them. The four projects of this second season, most of which were led by one or two people, were developed in response to a variety of issues, such as supplying solar energy, creating an innovative product to weatherproof and protect the surface of a building, and manufacturing a tool for taking complex measurements.

The Innovation Unit at Colas has partnered with RB3D, a cobotics (collaborative robotics) specialist, to develop "Exopush". This cobot^b, designed to help site workers with the manual application of asphalt mixes, has now passed on to the mass production phase. Colas, which now has around 30 Exopushes, has made this innovation available to the whole of the civil works sector. Colas has also teamed up with start-up Dawex to implement a data exchange platform. Other contracts have been signed with start-ups, particularly in the fields covered by BIM^c (e.g. Wisebim).

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 is a director of Centsept, a public-private association 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. For its third season, which started in June 2019, six new start-ups are being supported.

Bouygues Telecom has supported open innovation since 2009. Bouygues Telecom Initiatives, its decade-old incubator, has overseen around a hundred start-up projects. Half of them have become partnerships. Bouygues Telecom Initiatives has also invested in 12 start-ups, including two in 2019:

- Evina, a cybersecurity specialist, and;
- Xalys, the first neobank for teenagers with parental control.

In 2019, for the third consecutive year, Bouygues partnered Viva Technology (16-18 May in Paris), a global event dedicated to innovation and start-ups. The Group's business segments hosted and promoted over 30 partner start-ups. On this occasion, the Group organised a competition for start-ups on the topic of "How to manage a smart building and its services", with the opportunity for the winner to participate in Bouygues Immobilier's Sways^d project. An awards ceremony took place at the stand to recognise the eight best start-up/employee of the year collaborations out of all the business segments represented.

3

^a For additional information, see section 1.1.4 of Chapter 1.

^b A category of robot (non-autonomous): "a robot intended to physically interact with humans in a shared workspace (source: Wikipedia)".

^c Building Information Modeling.

^d A new building which is both technological and services-based, located in Issy-les-Moulineaux.

3.4.4 Responsible practices

3.4.4.1 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 the Group 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 countries. 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.

It also lays down the measures relating to information, training and prevention, together with the monitoring and sanctions that must be carried out 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 services, the financing of political parties, patronage, sponsorship, use of business intermediaries and lobbying.

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, department, etc.) must implement appropriate corruption prevention and detection measures and 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 authorities 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 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 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 Group 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 broad outlines of the anti-corruption laws and the risks involved if breached. Each business segment must therefore design and implement training adapted to the corruption risks specific to their operations and the regions in which they are active.

Bouygues Construction

Bouygues Construction has set up a corporate university called Bouygues Construction University, which designs, develops and dispenses cross-disciplinary training courses. As a supplement to the courses offered by Bouygues Construction University, 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.

^a See bouygues.com.



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 in December 2015 by Bouygues Construction. It is available to 24,320 employees in France and abroad. The Fair Deal training programme is available in four different languages. Employees are shown real-life situations whose themes are corruption, anti-competitive practices, gifts and invitations, as well as patronage and corporate sponsorship actions.

After an initial mandatory phase, the training module can now be freely accessed by all Bouygues Construction employees so that they can decide on the best time for them to follow it. In 2019, 41% of employees were trained using this module. Bouygues Construction maintains its target for 100% of employees to be trained in business ethics by 2020.

Fair Deal also forms part of In'Pulse, Bouygues Construction's digital induction process (available in four languages). The aim is to make sure new employees are fully aware of the ethical standards within three months of joining.

In addition to these specific schemes, Bouygues Construction ensures that ethics is included in its general training programme so that all professions are aware of its importance. An ethics section has therefore been added to the training given to managers promoted to executive roles, as well as to the sales and purchasing professions and to employees likely to be posted abroad or to undertake assignments in other countries.

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. This knowledge is then tested at the end of the trial period. New employees are also required to complete e-learning modules on ethics before attending BI Quest induction seminars. These modules can be accessed via the on-line training platform, BI Learn.

The induction seminars provide an opportunity to remind all new employees of the importance of ethics in business. A member of the Executive Committee attends these seminars and stresses the company's commitment to ethical business conduct. The case studies presented at the seminars include questions on ethics. In 2019, 170 employees attended this seminar.

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 that involve public authorities have been provided by Bouygues Immobilier's legal department, for example. The objective is to raise employee awareness of the ways in which such activities may lead to breaches of probity. Similarly, all Bouygues Immobilier employees must take two compulsory

e-learning modules on ethics, which can be accessed on the BI Learn platform. Systematic reminders are sent to employees who have not completed the two e-learning modules on ethics.

Colas

In 2019, the "Applied ethics and compliance" module, aimed at familiarising employees with core compliance principles at Colas and providing an overview of related procedures, was introduced in 2019 both in France and internationally, except in the US (which has its own specific procedures and training modules). In April 2019, Legal affairs managers responsible for overseeing this training at the local level were provided with common company-wide training materials. A total of 4,034 employees were trained between 1 November 2018 and 31 October 2019. In the US, 5,520 employees were trained (out of a total of 5,631 employees). Concurrently, "Ethics and accountability" training was provided to 70 managers.

In addition, Fair Play, a serious game, continued to be rolled out in 2019. It takes the form of an e-learning module. It is available to employees with a professional e-mail address and is designed to explore issues relating to ethical best practice. Following an initial campaign in 2018, it was run for a second time, in the second quarter of 2019. As at 15 September 2019, 4,402 employees had been trained using this module, resulting in a participation rate of 63.92%. This training will continue in 2020. The module is in the process of being translated into Czech, Croatian, Flemish, Polish, German, Romanian and Spanish.

TF1

Following on from its ethical initiatives of the past few years, TF1 continued to educate its employees on issues in 2019. A presentation of arrangements under the Sapin 2 law was given to members of the General Management Committee. It was then given to each management committee, emphasising TF1's policy on gifts and invitations as well as managing conflicts of interest.

During this exercise, several meetings took place within the various governance bodies of TF1 (executive Committee, general management committees, management committees, and business management committees) at the initiative of TF1's ethics officer and legal department.

Bouygues Telecom

In 2019, Bouygues Telecom pursued the training activities implemented over the past two years.

The on-line training courses launched in 2018 continued in 2019, thus increasing the number of employees trained and made aware of ethical matters. A total of 3,587 employees out of 8,000 took the "Anti-Corruption" module. The on-line modules will be run again in 2020 for the employees who have 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.

In 2019 there were also several targeted events run by the ethics officer and the Compliance department for senior management and the management committees of the Purchasing, Network and Marketing departments as well as of RCBT (the Bouygues Telecom store network). These events focused on risk mapping and the patronage/sponsorship process. The Human Resources department also received training on one of the main pillars of the Sapin 2 law: whistleblowing and the new protection for whistleblowers.

Finally, courses on ethics and preventing the risk of corruption were run at the entities recently acquired by Bouygues Telecom (all Nerim^a managers).

Group Ethics seminars

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. Since 2002, over 70 seminars have been held, organised by the Bouygues Management Institute (IMB), bringing together more than 1,000 employees from the business segments. The closing address each time has been given by a senior executive of the Bouygues group.

In late 2018, a new seminar on business ethics, focusing on corruption and collusive practices, was held for corporate officers. This seminar was run on a large scale throughout 2019, with 13 sessions each lasting two full days being organised and 258 managers trained. The seminar will continue to be run in 2020. Seven sessions have already been scheduled.

The corporate whistleblowing facility

In the wake of recent legislation, the Group decided to upgrade its whistleblowing procedure to create an on-line platform specifically for reporting breaches and/or violations of the Group's compliance programmes.

The platform 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 disinterestedly, in good faith and 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.

To ensure that this process is effective, the Group has carried out numerous communication campaigns such as publications on the Group's social networks, specific articles in the Group's in-house magazine, inclusion of the process in the internal training courses, and a special tab on the Group's intranet site (*ByLink*). 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 has a whistleblowing system which is described in the Group's Code of Ethics, as well as in the practical guide given to

employees of Bouygues Construction during their induction, and available on its intranet site. There are two ways of sending a whistleblowing alert:

- by sending an email to the ethics officer of Bouygues Construction; or
- via the Bouygues group's whistleblowing platform.

This system is described on a specific intranet page accessible to all employees of Bouygues Construction.

Bouygues Immobilier

The method by which internal employees can issue a whistleblowing alert is accessible from the Ethics area of the Bouygues Immobilier intranet. A permanent notice about the whistleblowing system is on the intranet home page. The way it functions is also explained in the two on-line ethics training modules available to all Bouygues Immobilier employees.

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. The procedures within it apply to all companies of which Colas directly or indirectly owns at least 50%. One section of the document covers procedures and rules for gathering and responding to whistleblowing alerts.

In September 2019, a communications campaign was initiated, aimed at all Colas employees, consisting of eight visuals displayed on employees' screen savers and the Colas intranet, on the subject of whistleblowing alerts, procedures, gifts and invitations, sponsorship and corporate patronage, and conflicts of interest. Prior to the campaign, a global message was issued by Colas CEO Frédéric Gardès in which he reiterated his commitment in this area.

TF1

TF1's whistleblowing arrangements are complemented by the use of the Bouygues group's whistleblowing platform. The aim is to work alongside the Group's ethics strategy and provide employees with additional methods of communication so that everyone can participate in maintaining ethical conduct and preventing the associated risks.

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*.

Bouygues Telecom

Throughout 2019, various campaigns took place to raise awareness of the Anti-Corruption compliance programme and, more particularly, the corporate whistleblowing platform. Videos were made for this purpose and disseminated on internal media (by means of dynamic visual displays on all the screens at all the company's sites). They are regularly rebroadcast by the internal communications department. The visibility of the whistleblowing platform has also been optimised to make it easier to use (increased number of key words to facilitate access to the platform).

^a Nerim is a BtoB internet and telecommunications operator. Its acquisition by Bouygues Telecom was completed in March 2019.

Risk mapping

Pursuant to article 17.II.3, I of the Sapin 2 law, Bouygues ensures that each business segment maps its risks of exposure to corruption.

An efficient risk map calls for 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.

This method, which is still being implemented, enables the 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.

In 2019, 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. A variety of digital databases and external service providers are consequently used to support the internal processes.

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.

3.4.4.2 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 IT and legal departments. This governance is based on a network of officers distributed throughout the entities of the business segment, drawing on expertise provided by the IT, legal and human resources 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 e-mail addresses reserved for employees and external requests respectively.

Many classroom-based training courses have been held at Bouygues Construction in order to educate and support the IT specialists who process personal data, as well as the employees in the Human Resources and Legal departments.

Finally, given its many operations throughout the world, Bouygues Construction worked with CNIL^a to obtain certification for its Binding Corporate Rules (BCR). A request has been sent to CNIL and Bouygues Construction is awaiting a reply. The aim of this procedure is to apply a legal framework in those countries not subject to GDPR.

^a French Data Protection Authority.

Bouygues Immobilier

In response to the new requirements on the protection of personal data, Bouygues Immobilier designated a DPO^a in February 2018 and implemented a compliance implementation plan. This plan made it possible to:

- strengthen Bouygues Immobilier's data security policy, in particular by introducing a more rigorous review of the system for authorising access to its IT system;
- inform the persons concerned, including clients and prospects, of their rights and how to exercise them, with the assistance of the Bouygues Immobilier website;
- inform, educate and train employees by means of compulsory on-line training modules, a specific section on the intranet and classroom-based courses run by the DPO.

An external audit took place at the end of 2018 to check the effectiveness of this plan. The various actions recommended have been implemented under the supervision of the DPO and a project team (consisting of members of the IT and legal departments).

Colas

Colas put in place a governance system for the protection of personal data, specifically by appointing a Chief Privacy Officer (CPO). Reporting to the CPO are 37 liaison officers located around the globe, covering the three core areas of HR, legal affairs and IT.

Several tools and models have been created to help meet obligations, covering:

- subcontracting;
- Privacy by Design;
- employee information;
- awareness-raising, and;
- data-protection register.

These resources are posted on a specific site, accessible to all employees, in English and French. So that new projects are set up in compliance with the GDPR, a special procedure accompanied by a self-assessment guide have been introduced. In addition, over 260 managers considered to oversee "sensitive" areas have been trained.

As a global company, Colas has also drafted Binding Corporate Rules (BCR), which are currently being reviewed by CNIL. Once approved, document will be sent to all subsidiaries.

TF1

In May 2018, TF1 designated a DPO and introduced a general GDPR policy, consisting of internal rules and business activity factsheets that every TF1 employee must comply with in relation to the protection of personal data.

Since March 2019, the DPO has been running a network of 54 data, operational and legal officers from each of the company's departments or subsidiaries, who are tasked with supporting the organisational and technological changes necessitated by compliance with GDPR.

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 a section on GDPR in order to make it easier for employees to access the compulsory documentation.

Finally, a data privacy tool has been selected and will shortly be rolled out to enable:

- smooth implementation of compliance;
- standardisation of processing register updates;
- the management of access requests received by TF1 departments.

Bouygues Telecom

Since 2002 Bouygues Telecom has had an entity dedicated to compliance with the personal data protection regulations, as well as internal procedures for responding rapidly to customer requests and, where necessary, taking appropriate measures in the event of a security incident. The entry into force of GDPR prompted Bouygues Telecom to expand its arrangements, both within the company and with customers. Contracts with third parties contain clauses relating to the processing of personal data.

In March 2018, the company designated a DPO to ensure the cross-departmental governance of data processing in the company and ensure continued compliance. The DPO works closely with the teams tasked with ensuring data security, which is one of Bouygues Telecom's principal concerns. The company's documentation has been updated in response to the new requirements of GDPR, and the employees have been trained on GDPR rules.

Bouygues Telecom's BtoC customers, like its BtoB customers, are informed about how the company processes data by means of two privacy policies, which are accessible on the corporate websites.

Bouygues Telecom also runs campaigns to raise customer awareness of the risks of phishing and the importance of choosing strong passwords.

3.4.4.3 Ethical reporting

Upholding its public commitments in the area of ethical news coverage is a key concern for TF1, ensuring that its programmes as a whole meet broadcasting standards (the responsibility of the General Counsel and channel controllers), that it adheres to responsible practices, and its newsrooms are independent.

- The TF1 News department is tasked with ensuring that ethical principles common to the industry are followed in its newsrooms.
- Of the 240 journalists employed by TF1 in its newsrooms, approximately 75% are members of the TF1 Journalists' Association (set up shortly after TF1's privatisation). Presenters, Editors-in-chief and News directors are not members. The association's role is to create a space for dialogue in which all issues relating to the editorial line, ethical reporting and journalistic integrity and independence can be discussed.
- 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 they sign 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

^a Data Protection Officer.

TF1 channels. This committee met in February 2019. Meetings between journalists and committee members took place in March 2019. Finally, in the summer of 2019 employees and third parties were made aware of the committee's referral procedure.

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, it inserts the message "amateur video", specifying the date on which the images were recorded, if possible.

3.4.5 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.

3.4.5.1 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 of 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.

In 2017, Bouygues Immobilier staff based in Toulouse helped design a special label attesting to indoor air quality in new housing: Called "Intérieur", 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 the Séqué eco-neighbourhood in Bayonne. This development will be the first housing project carrying the label in France.

Electromagnetic fields

Bouygues Telecom contributes through the Ifer^a tax to the financing of electromagnetic-field measurement by companies certified by the French Accreditation Committee (Cofrac). This is carried out in accordance with government rules on electromagnetic-field measurement, in force since January 2014. Findings can be consulted by visiting cartoradio.fr.

Additionally, Bouygues Telecom in 2017 contributed to the updated version of the French Telecoms Federation's brochure on mobile phones and health, which takes into account the Anses^b recommendations on children's exposure to radiofrequencies. The new version is distributed to all new customers and to existing ones when they change their SIM card. Bouygues Telecom has also changed its trade practices for marketing handsets so that each mobile phone that is distributed meets the new European Radio Equipment Directive (RED).

Finally, Bouygues Telecom has signed a new mobile telephone charter with the Municipality of Paris to define a single ceiling for radiofrequency exposure in Paris^c.

45%

decline in the road accident frequency rate at Colas between 2004 and 2019

Scope: Global

3

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), and;
- 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 people-detection system which has been tested at two sites in Switzerland: an asphalt mixing plant and a quarry. The concept uses artificial intelligence to warn the plant operative when a person is detected near the machine. It incorporates different kinds of warnings, both for the driver and for people on the ground, thus reducing the number of accidents on worksites. In March 2018, the final trials relating to the third test cycle and demonstrations by Volvo Construction Equipment on excavators, wheeled loaders and articulated haulers were carried out at Colas worksites in Switzerland. In 2019, the trials continued, testing the concept on excavators at Colas' Swiss operations.

a Flat-rate tax on network businesses (Ifér).

b French Agency for Food, Environmental and Occupational Health and Safety.

c This is set at five volts per metre at a 900 MHz frequency in indoor living spaces.

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 European Union). 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' cross-subsidiary objective of reducing the overall accident benefits employees, their families (through the sharing of best practice) and of course road users as a whole. The worldwide road accident frequency rate between 2018 and 2019 remained stable.

ANALIS, for preventive management of a road network

Increased road safety through the use of data is the underlying principle of ANALIS^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 range of on-board sensors, fitted neatly into a small box, track real-life driving experiences, providing data that are fed into the ANALIS 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 ANALIS. 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, ANALIS 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.

Elsewhere, as part of the Dijon smart city project, Bouygues Energies & Services has developed a road-traffic regulation system. This uses an instant warning system which enables the relevant municipal services to take effective action.

3.4.5.2 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.

For example, 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 convenience services, soft mobility, digital services and urban biodiversity. To promote social cohesion, the Bouygues group has joined forces with the start-up Smilee to put in place neighbourhood networks that encourage interaction between residents through sharing, lending a helping hand or organising joint events.

In relation to the structures that it builds, Bouygues Construction also gives consideration to many different issues in advance.

Losinger, a Bouygues Construction subsidiary in Switzerland, has developed a method of neighbourhood design (known as MODD^b, which is based on the preferences of the social classes targeted. Following the success of the Swiss project, this approach is now being used in France under the name "Mixcity".

Mixcity seeks to define social 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 and La Distillerie in Villeneuve-d'Ascq. These projects will continue to be supported in 2020.

Bouygues Construction and Bouygues Immobilier both offer connected services to their residential customers.

- Bouygues Immobilier's Flexom service, released 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. By the end of 2019 nearly 11,000 homes equipped with Flexom had been handed over.
- Bouygues Construction's Wizom 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 concept was shown to be effective and validated as a result of several trials, such as at the Azais residence in Sanguinet (south-west France), Les Résidences Vertes in Pulnoy (north-west France) and Ivry Confluences in Ivry-sur-Seine (Paris region).

a A French acronym for "Acquire, Digitise, Analyse, Inform and Make Safe".

b French abbreviation for "Methods and Tools for Sustainable Neighbourhood Development".

Lastly, the Bouygues group's Media and Telecoms activities endeavour to shield younger viewers from the risks arising from television and the web. For the past ten years, a psychologist systematically views TV series for teenagers bought or co-produced by TF1, working closely with the creative team. This person can suggest edits and may even certify episodes as not apt for broadcasting, if images are deemed inappropriate for younger viewers. These recommendations are always followed.

Bouygues Telecom operates a proactive policy to shield children and teenagers from inappropriate web content.

In February, 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 market research body Institut CSA), Bouygues Telecom introduced a series of initiatives to promote sensible use of digital technology among young people:

- a media awareness campaign in the daily and weekly press;
- a guide on digital best practices for children and their parents, distributed through Bouygues Telecom stores (and sent to the 88,000 subscribers to the youth magazine Okapi);
- a special offer for young teenagers, available for one month, to help them manage usage and costs, that included capped calls and one year of premium parental control, and;

- on the bouyguestelecom.fr website, a special "back to school" button on which parents can click for advice and answers to questions such as whether they should purchase a capped call plan for their teenager or whether plans with a high data allowance are suitable.

3.4.5.3 Accessibility of offers and services

The Bouygues group aims to make its products and services widely accessible, especially those of its media and telecoms businesses.



To help narrow the digital divide, the French government and mobile phone operators, including Bouygues Telecom, in January 2018 signed an agreement outlining a "new deal" for the mobile industry, which aims to speed up roll-out of 4G in areas where network coverage is poor, focusing on so-called not-spots. In these zones, each operator has agreed to build at least 5,000 new sites, some of which will be shared. In addition to this agreement, Bouygues Telecom in May 2018 reaffirmed its commitment to all parts of the country, especially rural areas. It signed a partnership with a not-for-profit body representing rural mayors of French municipalities with less than 3,500 inhabitants. This contained an undertaking to improve digital coverage.

3

Crozon: the positive impact of sharing

Crozon is a project whereby Bouygues and SFR agreed to share their mobile access networks in the less densely populated areas of France. It was launched in 2015 and completed in 2018. Its purpose was to achieve a significant increase in the quality of the 2G/3G/4G mobile networks in these areas, which are home to 57.2% of the French population.

The project has resulted in better network coverage thanks to the positive impact of sharing resources:

- Bouygues Telecom's national 4G coverage has increased from 70% in 2014 to 99% today. Data traffic in rural areas has doubled each year. It has thus overtaken that of customers in very densely populated areas; and
- these operators have cut the number of mobile sites by 33%, from 18,400 to 12,300, which helps reduce visual clutter from the landscape.

In the Arcep^a survey on the quality of mobile services, published on 22 October 2019, Bouygues Telecom was ranked first for rural areas (mobile network). For the second consecutive year, Bouygues Telecom came top for towns and villages with under 10,000 residents. Nationally, Bouygues Telecom came second for the quality of its network in large towns, along transport routes and at tourist sites.

On 18 June 2019, Bouygues Telecom won the "Best Client-Centric Team" category of the CX Awards d'Or for its "Internet Garanti" ("Keep Connected") service. Launched in April 2018, "Keep Connected" is an innovative 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.

Since 2005, Bouygues Telecom has been working to help disabled people access electronic communications services. It has, for example, made

customer services accessible to people with total or partial hearing loss, and now offers information and invoices in Braille and large print. Since 8 October 2018, Bouygues Telecom has ensured that its telephony services and interpersonal communications are accessible to people with total or partial hearing loss, impaired sight or aphasia. 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. As part of its drive for continual improvement, Bouygues Telecom engages with associations that represent persons with disabilities in order to achieve a better understanding of their expectations and take account of their needs when designing new services.

^a Arcep, the French telecoms regulator, is the independent administrative authority responsible for regulating electronic communications in France.

3 STATEMENT ON EXTRA-FINANCIAL PERFORMANCE (SEFP)

Independent verifier's report on the consolidated statement on extra-financial performance

The TF1 main channel ensures that its programmes are accessible, especially to people with impaired hearing (subtitling or sign language) or vision (audio description). The theme channels operated by TF1 have gone beyond statutory requirements in their subtitling. TF1 has also signed the CSA's (French broadcasting authority) Charter on Subtitling Quality. To

improve accessibility to digital content, the company introduced "FACIL'iti" on its MYTF1 and LCI websites. This solution 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.

3.5 INDEPENDENT VERIFIER'S REPORT ON THE CONSOLIDATED STATEMENT ON EXTRA-FINANCIAL PERFORMANCE PRESENTED IN THE UNIVERSAL REGISTRATION DOCUMENT (YEAR ENDED 31 DECEMBER 2019)

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 quality 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 (hereinafter "entity"), we present our report on the consolidated statement on extra-financial performance established for the year ended on the 31 December 2019 (hereinafter 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 establish 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 established by applying the procedures of the entity (hereinafter referred to as the "Criteria"), the significant elements of which are presented in the Statement and 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 (Code de commerce) 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:

- 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 the respect of human rights and the fight against corruption and tax evasion;

STATEMENT ON EXTRA-FINANCIAL PERFORMANCE (SEFP)

Independent verifier's report on the consolidated statement on extra-financial performance

- 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 of 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. Concerning the risk related to corruption, our work was carried out at the level of the consolidating entity. For the others risks, our work was carried out on the consolidating entity, on the five business segments and on a selection of entities listed hereafter: Colas Midi Méditerranée, Mc Asphalt, Miller Group, Colas République Tchèque, Colas Australia Group, Colas USA, Bouygues Bâtiment International Turkmenistan, Bouygues Travaux publics Dragages Hong-Kong (civil works activity), Bouygues Energies & Services ZGF France, Bouygues Bâtiment France Europe Habitat Résidentiel 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 social 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 12% and 47% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (26% of revenues and 18% of the workforce);
 - at the level of TF1, we carried out detailed tests with the Newen entity and TF1 headquarters, which cover 77% 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 mobilized the skills of thirteen people and took place between July 2019 and February 2020 on a total duration of intervention of about twenty-five weeks.

We undertook interviews with about thirty persons responsible for the preparation of the Statement representing, in particular, the following functions: senior management, administration and finance, legal, tax, human resources, health and safety, environment and purchasing.

3

Conclusion

Based on this work, we did not identify any significant misstatement that causes us to believe that the statement on extra-financial performance 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 55% and 100% 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.

Paris-La Défense, 19 February 2020

Independent Verifier

ERNST & YOUNG et Associés

French original signed by:

Jean-François Bélorgey

Partner

Eric Mugnier

Partner, Sustainable Development

3 STATEMENT ON EXTRA-FINANCIAL PERFORMANCE (SEFP)

Independent verifier's report on the consolidated statement on extra-financial performance

Annex 1: information that we considered the most important

Human Resources information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Total headcount	Health and Safety policy
Percentage of women with manager status	Promotion of diversity and equal opportunities particularly via recruitment, career management and closing the pay gap between men and women
Frequency rate of workplace accidents among staff (excluding occasional workers for TF1)*	Development of skills and internal job mobility policy
Severity rate of workplace accidents among staff (excluding occasional workers for TF1)	
Fatal accidents among staff (excluding occasional workers for TF1)*	

Environmental information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Greenhouse gas emissions	Management of energy and the fight against climate change
Materials production activities that use a tool to manage environmental impacts (environmental certification or Colas checklist)	Certifications and labels
Total energy costs	The circular economy
Total energy consumption	The protection of biodiversity
Quantity of recycled materials	The roll-out of the Topsite label
Recycled materials in relation to the volume of aggregates produced*	
Quantity of asphalt pavement recycled	
Asphalt pavement recycled in order to reclaim bitumen	
Share of aggregates production sites working to promote biodiversity	
Proportion of non-hazardous waste that is recycled (not disposed of in landfill)	
Percentage of non-hazardous waste recycled	
Buildings in the annual order intake with a commitment to environmental labelling or certification prescribed by Bouygues Construction	
Number of construction projects with the BiodiverCity label	
Share of worksites carrying the Top Site label worldwide*	
Sales covered by an ISO 14001-certified EMS	
Handsets collected for recycling or re-use from customers (Bouygues Telecom stores, general public and corporate websites, employees)*	
Handsets collected for recycling or re-use through the after-sales service*	
Total electricity consumption	
Surface area of Green Office® commercial property developments in operation during the reporting period in m ²	
Surface area (m ²) carrying the BiodiverCity Ready label or covered by a commitment to obtain it	

Social information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
The percentage of employees enrolled on Byle@rn who have taken the on-line training course "FairDeal"	Responsible purchasing
Materials production sites working to promote dialogue with local communities (as a % of sales before inter-company eliminations)	Initiatives conducted to prevent corruption
The number of partnerships aiming to support occupational integration, education and healthcare conducted during the year	Dialogue with locally elected representatives, and transparency
Percentage of expenditure subcontracted to local companies	Business ethics
R&D budget spent on CSR	Journalistic integrity
	Social responsibility

RISKS AND RISK MANAGEMENT

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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 business segment. 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. The order in which the business segments are presented is not indicative of their importance.

In addition, other risks may exist or arise that are not yet identified at the date of this document, or that are not regarded as likely to have a significant 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	■■
	HR risk, loss of expertise and talents	■■
	Risks associated with a downturn in the property market	■
Media	Risk that programmes will become unsuitable for broadcast	■
	Risk of loss of key programmes: leadership premium	■
	Risks related to the development of internet and new media	■
Telecoms	Competitive environment and market trends	■■
	Continuity of service and site security	■■
	Risks related to current and future telecoms regulation	■
Bouygues SA/Group	Effects of electro-magnetic waves	■
	Impairment in value of equity holdings	■
	Cybersecurity	■
	Compliance with the law and regulations	■
	Risks associated with climate change	■
	Risks related to the Covid-19 epidemic	■

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 to a lesser extent by Colas, may expose those companies 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 company.

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. HR risk, loss of expertise and talents

The Bouygues group's activities are dependent on the skills, know-how and expertise of its employees, especially on medium/long-term construction projects.

Therefore, the risk is that Bouygues may be unable to attract and retain the most suitable people in terms of 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 business segments involved (especially Bouygues Construction and Colas), 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 Bouygues.

Preventive and corrective measures are applied; these relate to spotting skills and talents, data analysis, and the attractiveness of the sector and of Bouygues as an employer.

4.1.1.3. Risks associated with a downturn in the property market

The property development activities of the Bouygues group are exposed to external economic factors, and to systemic 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 the activities and profitability of Bouygues, the consequences of which – whether negative or positive – do not flow through immediately into the

company's financial results, due to the time required to complete projects.

Factors that can affect the property market include:

- international and domestic economic conditions, interest rates, purchasing power and the level of consumer confidence (which exert a strong influence on the residential market);
- the general economic climate, which can result in high volatility in demand for new office space, and;
- sales may also be significantly impacted by administrative or tax measures that affect segments of the property market, and especially (in France) by incentives for homebuyers and tax breaks for buy-to-let investors. Buy-to-let incentives have been an important factor in property development programmes in France for over 30 years, so any repeal of the current "Pinel" arrangements would cause disruption in the construction market, the extent and duration of which is difficult to predict.

4.1.2 Media

4.1.2.1. Risk that programmes will become unsuitable for broadcast

To secure future supplies of key programmes, TF1 commits to certain programmes (especially series and feature films) at a very early stage relative to the date of transmission. The time-lag can be substantial, and visibility on new products is often low.

Because TF1's television channels are constantly adapting their editorial line in response to changes in public taste, an artistic mismatch may sometimes arise between current editorial needs (aimed at maximising audiences) and past programme acquisitions. If such mismatches occur, they may lead to spikes in impairment losses taken against the broadcasting rights inventory.

TF1's exposure to this risk is limited to multi-year contracts with the biggest producers. If such a risk were to materialise, there are two ways of mitigating the impact:

- the pooling of rights across the TF1 group's TV channels offers alternative solutions for using rights to a programme that becomes unsuitable for broadcast on the TF1 TV channel, and;
- as a last resort, some or all the risk may be mitigated by selling the rights on to another market player.

4.1.2.2. 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 currently has key programmes. 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.

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4.1.2.3. Risks related to the emergence of new players and uses

The TF1 group 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 arrival of SVOD^a operators such as Netflix, Amazon Prime (soon to be joined by Disney+). This is eroding the amount of time people spend watching linear television.

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 programme-buying to provide 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, especially through heavy marketing of slots in programmes with big audience-pulling potential.

Finally, the ongoing process of adapting TV audience ratings metrics to the new media landscape, which began in 2011, will by the end of 2020 see the inclusion of live and catch-up viewers on computers, smartphones and tablets. This gives scope for optimal monetisation of audiences.

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. The French BtoC market saw a raft of promotional activity in 2018, though the pace of those special offers slowed in 2019.

A return of aggressive competition in mobile and fixed prices could have a negative impact on the results expected by Bouygues Telecom, particularly when launching 5G commercial offers that will require major investment in terms of infrastructure and frequencies.

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 quality of its very-high-speed mobile and fixed broadband networks. The success of this strategy depends on Bouygues Telecom's ability to implement it effectively and to retain its positioning and reputation as a trusted operator. If the company fails to do so, particularly in the event of a loss of service or cyberattack, it would be exposed to potential negative impacts on its financial results, its operations and its image.

4.1.3.2. Continuity of service and site security

Service interruption can be caused by technical equipment breakdown or by an onsite incident affecting the network or information systems.

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 technical systems, maintained in a state of operational readiness at all times;
- 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, and commissions regular audits of these procedures in conjunction with Anssi^b.

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.

In addition, tighter regulations on cold selling (for example) could require operators to alter their marketing techniques.

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.

a Subscription Video-on-Demand.

b The French Agency for IT Systems Security.

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. Some Swiss cantons, for example, have suspended construction of 5G sites in response to online petitions opposing 5G. In France, various

campaign groups have called for a moratorium on the 5G rollout. The French Agency for Frequencies Management (AFNR) and the French Agency for Food, Environmental and Occupational Health and Safety (Anses) are responsible for conducting research into 5G in France.

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 funds independent research and releases all 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 (refer to Note 3.2.3. to the consolidated financial statements in Chapter 7 of this document).

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: a slowdown in order intake, delays in execution, difficulty for customers to connect to the telecoms network, disruption to in-store sales or to customer relations services.

If a cyberattack of this nature 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.

On 30 January 2020, Bouygues Construction was the target of a ransomware attack caused by malware.

Specific measures were taken to ensure business continuity in France and abroad, resulting in a very low impact on the operational and commercial activity of worksites.

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, 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.

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 keeping the rise in temperature by 2100 below 1.5°C, 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 Risks related to the Covid-19 epidemic

At the beginning of January 2020 the Chinese authorities and WHO announced they had discovered a novel coronavirus (SARS-CoV-2). This virus is spreading actively in several countries, including France, and a number of restrictive measures have been taken, particularly in France and Belgium. Whilst ensuring that business continues where possible, the Group is prioritising the health of its employees and is making sure that these restrictive measures are complied with. The Covid-19 epidemic will have an impact on the Group's activities and the outlook for 2020 that we cannot quantify at the present moment in this Universal Registration Document. There could be different impacts on the Group's business segments depending on the nature of their activities, contractual situations, geographical presence and the scope and duration of the measures implemented by governments.

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.

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. A hearing took place on 23 January 2020 and the Court of Justice is expected to hand down its ruling during the course of 2020.

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 has lodged an appeal.

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 rejected all of the SNCF's claims on 31 May 2016. The SNCF has appealed this judgement. In a judgement dated 29 December 2017, the Court of Appeal held that the action had been statute barred since 4 July 2002. On 28 February 2018, SNCF Mobilités lodged an appeal in the Conseil d'Etat (Supreme Administrative Court) against the judgement of the Paris Administrative Court of Appeal. The Conseil d'Etat quashed the 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'Etat has referred the case back to the Administrative Court of Appeal.

4.2.1.4 International: Centennial Tower, Singapore

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 court.

4.2.1.5 International: Data centre in Ireland

After a delay in handing over a data centre in Dublin, the client, the Kuok group terminated the contract concluded with Bouygues Energies & Service Ireland Ltd. The Kuok Group initially bought adjudication proceedings claiming lateness penalties. Bouygues E&S Ireland Ltd disputed the award in an arbitration which is ongoing.

In November 2018, the client filed a second adjudication claim against Bouygues E&S Ireland Ltd, which was ordered to pay the balance of the lateness interest.

Bouygues E&S Ireland Ltd filed a Request for Arbitration on 25 March 2019 contesting the lateness penalties.

4.2.1.6 International: Alpiq Engineering Services

In 2018, Bouygues Construction and Colas Rail acquired Alpiq Engineering Services (acquisition of all the shares in Alpiq InTec AG and in Kraftanlagen München GmbH) from Alpiq Holding AG and Alpiq Deutschland GmbH. This transaction was closed on 31 July 2018.

After the closing of the transaction, a price adjustment mechanism, based on the final accounts of the acquired companies at the time of the closing, was agreed between the parties. The parties have different opinions on the adjustment of the acquisition price: Bouygues Construction and Colas Rail are demanding a payment resulting from an adjustment to the price in their favour, whereas the sellers are demanding a supplement to the initial price.

Furthermore, the parties are also in disagreement in relation to the allegations by Bouygues Construction and Colas Rail that the sellers breached their contractual declarations and warranties.

On 12 February 2019, Bouygues Construction and Colas Rail therefore seized the Swiss Association of Chambers of Commerce with a Request for Arbitration 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. In total, demands for payment stand at CHF318.7 million.

The Arbitral Tribunal was constituted on 31 July 2019. The parties are in the process of exchanging memorials.

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, one by Bouygues Immobilier to determine the cause of the damage and the costs of the repair works, and another by the hotel to assess the commercial and financial consequences resulting from the interruption to business.

After the Court expert's appraisal report was filed, Bouygues Immobilier claimed compensation for its loss from the contractors after it was served with proceedings by the hotel's insurer and the architect.

These proceedings are continuing.

4.2.2.2 International: office building in Warsaw (Poland)

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.

An Arbitral Tribunal has been constituted and there should be a hearing during 2020.

4.2.3 Colas

4.2.3.1 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 City of Budapest and (ii) the other now concerning the Hungarian State alone (M3 motorway).

4.2.3.2 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 is 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 stipulated in Article R. 242 of the French Social Security Code, 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 €62.4 million. This dispute has been referred to the Social Security courts.

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 2012, 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 Inc. for the years 2013 to 2015 is still ongoing. The amounts involved at end-2018 now total €14 million.

4.2.4 TF1

4.2.4.1 Complaint by M6 against TF1 for holding a dominant position on the advertising market

M6 referred the TF1 group's practices to the Competition Authority in April 2014 which it considered infringed Competition Law. M6's complaint concerned (i) the granting of discounts by TF1 Publicité which were allegedly conditional on the advertisers undertaking to invest a very large portion of their advertising budgets on the TF1 TV channel; and (ii) the coupled sale of advertising space on the TF1, HD1 and Numéro 23 TV channels by TF1 Publicité.

In its decision n°19-D-07 of 25 April 2019, the Competition Authority considered that the alleged practices were not established and dismissed the case.

4.2.4.2 Complaint by Canal+ group against TF1, M6 and France Télévisions

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 on 9 December 2013.

4.2.3.4 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.

4.2.3.5 International: 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 and inappropriate practices during the execution of contracts and sub-contracts with the US government between 2012 and mid-2014. Since then, Colas SA has been cooperating with the government and the Justice department of the United States in the investigation into this affair.

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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 n°19-D-10 of 27 May 2019, the Competition Authority rejected Canal+ group's claim and dismissed the case, 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 on 2 July 2019.

4.2.4.3 Molotov 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 television channel broadcasting and marketing sector (notably following TF1's refusal to allow Molotov to air the TF1 group's channels free of charge). These proceedings are continuing.

TF1 brought proceedings for infringement against Molotov before the District Court for Molotov's continued illegal use of TF1's signal. A hearing will be held at the District Court in March 2020.

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. However, the court ordered Free Mobile to pay €350,000 in legal costs. Bouygues Telecom appealed this judgement.

In November 2015, Free sued Bouygues Telecom in the Paris Commercial Court for unfair competition in relation to Bouygues Telecom's advertising of its ADSL offer. Free criticized Bouygues Telecom for advertising a price of €19.99, although this offer only applied to a minority of its customers. Free assesses its prejudice at €275 million. Bouygues Telecom counterclaimed against Free in pleadings filed on 31 May 2019 for misleading commercial practices, claiming an injunction, measures of publicity and damages currently valued at €285 million.

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.

4.2.5.2 Regulatory matters

Bouygues Telecom made a preliminary claim to the 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. Bouygues Telecom's prejudice is 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. These proceedings are ongoing.

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. These proceedings are ongoing. Furthermore, in a decision dated 22 October 2019, Arcep established that Bouygues Telecom had respected its obligations for 2G coverage in not spots which had been the subject of an Arcep investigation started on 23 September 2014 and therefore withdrew the proceedings.

In a decision dated 21 February 2018, Arcep began an investigation on the basis of articles L. 36-11 and D. 594 of the French Post and Electronic Communications Code concerning the implementation of the European Regulation n° 2015/2120 on an open Internet. These proceedings are continuing.

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.

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 was disputing the starting point for the notice period, alleging that Bouygues Telecom failed to give a sufficient period of notice. Tel and Com was claiming the sum of €125.7 million to indemnify its prejudice, as well as €8.7 million which it considered it is owed under the contract. 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.

Tel and Com has appealed in a judgement dated 20 December 2019, the Paris Court of Appeal overturned the judgement, holding that the notice periods given by Bouygues Telecom were sufficient. Tel and Com's claims were therefore dismissed.

Bouygues Telecom is a party in proceedings brought by the French Economy Minister against Apple in the Paris Commercial Court based on article L. 442-6 paragraph 2 of the French Commercial Code, 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 lawsuit 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 claimed. The other two claims are continuing.

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 (most recently in 2019) and is available on both the Bouygues 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 of its activities and impacts.

In 2018, the Group's vigilance plan was submitted for opinion to a committee of some ten representatives of Bouygues' stakeholders (NGOs, suppliers, trade unions, social audit and responsible purchasing experts, etc.). Feedback from the committee's report was used to prepare the second and third editions of the plan.

A new inter-business segment working group was set up in 2019 to:

- determine a common methodology; and
- structure the work of the Group's various business segments on the vigilance plan.

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.

Risks and actions already taken

Several cross-disciplinary procedures and practices are in place to address the risks identified in this plan:

- The internal TopSite^a labelling scheme covers Health & Safety, Environment, Human Resources, Society, and Quality & Customer Involvement issues. All construction projects lasting more than six months and worth more than three million euros must apply for the TopSite label;

- The CSR charter for Bouygues suppliers and sub-contractors is systematically appended to orders and contracts managed by Purchasing departments. 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.

Furthermore, specific actions are taken to address the risks identified in the table below.

^a See also Statement on Extra-Financial Performance in Chapter 3 of this document.

Key risks	Prevention or mitigation actions initiated or continued in 2019
Human rights and fundamental freedoms	
Child labour Forced labour	<ul style="list-style-type: none"> The entities perform identity checks at their construction sites, including sub-contractors' 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 "<i>Attestation Légale</i>", 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	<ul style="list-style-type: none"> 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. This worldwide presence leads to significant disparities in terms of employee benefits and Bouygues Construction is therefore working on introducing minimum standards. This is the aim of the BYCare programme to be rolled out as of 2020.
Personal data breaches	<ul style="list-style-type: none"> Protection of personal data, whether concerning Bouygues Construction employees or third parties, is covered by a governance programme based on a specific tool used throughout the Bouygues group. The aim is to comply with the documentary and accountability requirements set out in the GDPR.
Health and safety	
Security breaches	<ul style="list-style-type: none"> A specific 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.
Workplace accidents	<ul style="list-style-type: none"> Bouygues Construction has a Health & Safety policy to prevent and mitigate the risk of workplace accidents. The policy is rolled down to all operating entities and subsidiaries through health & safety management systems, most of which are certified as compliant with OHSAS 18001 or ISO 45001 international standards by an independent auditor. Occupational risk prevention and health protection plans are drawn up based on the twelve Health & Safety Fundamentals defined by Bouygues Construction in 2017. A policy on the systematic wearing of personal protective equipment (PPE) is applicable throughout Bouygues Construction. It is further supported in France by the Distrimo internal distribution centre, which ensures that all PPE distributed complies with Bouygues Construction's policies. The Health & Safety Prevention department, Bouygues Construction Purchasing, Distrimo, suppliers and operational staff worked together in 2019 to identify and harmonize the best power tools used on Bouygues Construction sites from a health and safety standpoint, with the aim of publishing the first Bouygues Construction power tool catalogue. Health & Safety training is given to key people in operations and support functions. "Safety Leader 1, 2 and 3" training programmes continue with the aim of strengthening management commitment to Health & Safety policies, thus spreading a shared Safety culture. Health and safety clauses are included in framework agreements with temporary employment agencies in France. Bouygues Construction's health and safety prevention policy is completed by an accident and incident reporting procedure.
Occupational diseases	<ul style="list-style-type: none"> Bouygues Construction and its entities have established a multi-year plan to reduce arduous working conditions. It has created a digital tool (KizErgo) to analyse a job's risk level. Each entity draws up and implements ergonomic risk training and awareness plans with the Health & Safety Prevention department's methods and organization unit. "Health workshops" are available specifically for site workers and technicians. For supervisory staff, an Ergonomics training module is included in the "Safety Leader 2" training. Minimum Health & Safety requirements are defined to support these initiatives. They cover recommended materials, trials of innovative physical assistance devices ("ZeroG" arm, exoskeletons), and the development of a prototype for a new generation of form panel (B20) and new handling devices (supply carts for rail works sites, colour coding for identifying the weight of materials used on site, etc.). Other actions initiated in the past several years continued (e.g., warm-up before starting work, addiction prevention, etc.). Bouygues Construction's service agreements contain Health & Safety clauses which service providers are required to comply with. Sub-contracting agreements entered into by the operating entities for construction projects and sites contain health & safety requirements adapted where necessary to specific issues.

Key risks	Prevention or mitigation actions initiated or continued in 2019
Site living quarters standards	<ul style="list-style-type: none"> Minimum standards which comply with ILO^a recommendations apply to living quarters provided to site workers on international construction sites under Bouygues Construction's responsibility. Regular inspections are carried out and compliance with these standards is a mandatory criterion for obtaining the Top Site label.
Environment	<p>Pollution caused by directly by site operations (carbon, waste, water, etc.) and in surrounding areas (noise pollution, air quality, biodiversity, wastewater, etc.)</p> <p>This risk is addressed through three internal processes:</p> <ul style="list-style-type: none"> A group-wide "Responsible and Committed" CSR policy with four commitments to the environment and Bouygues Construction's environmental impact: carbon strategy, biodiversity, responsible sourcing and supply chain, circular economy ISO 14001 certification, which is an extra-financial performance metric measured as part of the annual extra-financial reporting process. 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 International Labor Organization.

Action plans and areas for improvement

In 2020, Bouygues Construction intends to improve and strengthen existing actions already taken in 2019, mainly through the internal TopSite label and by working with all sub-contractors 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).

Risks and actions already taken

Several cross-disciplinary procedures and practices are in place to address the risks identified in this plan:

- The CSR charter for Bouygues suppliers and sub-contractors is now 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.
- 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 2019
Human rights and fundamental freedoms	
Undeclared labour or illegal posting of workers	<ul style="list-style-type: none"> A documentary database including contracts, legal memos, standard letters, training, "Site owner - Safety" procedure and "Administrative papers and use of the Attestation Légale" procedure "Attestation Légale" procedure to ensure that all contractors and sub-contractors comply with their legal and fiscal obligations Training Bouygues Immobilier employees in their responsibilities as project owner Training site managers
Unauthorized use of personal data	<ul style="list-style-type: none"> Consent management mechanisms Updating contracts with sub-contractors (adding a GDPR clause) Raising employee awareness, mainly through two e-learning modules which are mandatory for employees in contact with personal data

Key risks	Prevention or mitigation actions initiated or continued in 2019
Health and safety	
Serious breach of the health and safety of people on worksites	<ul style="list-style-type: none"> • Training Bouygues Immobilier employees in their responsibilities as project owner • Operational training in risks through the OPPBTP^a • Internal audits of compliance with contracts and the CSPS^b procedure • Poster campaign for the twelve Safety Fundamentals • Circulation of a procedure to ensure the safety of customers during site visits • Contract setting out HSE^c requirements for certain high risk sites
Serious breach of health and safety of employees	<ul style="list-style-type: none"> • Training site managers • Formal Harassment procedure in the internal regulations • BI-Well: launch of a workplace stress prevention initiative • Internal poster campaign to raise awareness of all employees about stressful situations.
Environment	
Soil pollution and climate change	<ul style="list-style-type: none"> • Soil pollution analysis performed before purchasing land • Depollution costs included in land purchase prices • In the event of pollution: a management and, where necessary, depollution plan is drawn up • Legal arrangements for raising awareness about environmental obligations (training, information memo, contractual clauses) • Training on polluted sites and ground for Design and Build departments. A special chapter is included in the national design guide • Biodiversity protection and climate change considerations included in the five-year strategic plan • A carbon strategy compatible with quantified, monitored targets • A liaison officer appointed for timber constructions. Technical support on "carbon" issues provided to teams

a The professional body for the prevention of occupational hazards in the construction and civil works sectors.

b Safety and health protection coordination.

c Health Safety Environment.

Action plans and areas for improvement

Regarding serious breaches of health and safety of people on-site, Bouygues Immobilier plans to:

- perform internal controls to ensure that the procedure for site visits is properly observed and applied; and
- ensure that the twelve Safety Fundamentals are implemented.

Regarding the health and safety of employees, Bouygues Immobilier will continue to develop the "BI-Well" stress prevention plan in association with its specialized external partner Stimulus. This consists of training and raising the awareness of managers and employees to help them deal with staff or employees in difficulties.

Regarding soil pollution, Bouygues Immobilier plans to introduce a new procedure for managing excavated spoil.

Lastly, regarding climate change, Bouygues Immobilier plans to:

- conduct trials on adapting to climate change;
- provide training in climate issues and ways of reducing greenhouse gases; and,
- include low carbon and biodiversity aspects into its new products and services.

4.3.3 Colas

Governance

Colas has a governance system comprising the CSR, Purchasing, Human Resources (including health, safety and security), Internal Audit and Control, Legal and Compliance departments.

Risks and actions already taken

In 2019, Colas SA enhanced its risk assessment with an in-depth analysis in the areas of human rights and fundamental freedoms, the environment and purchasing. The process involved business segment heads and operatives across an extensive geographic scope. It will be supplemented and enhanced in 2020 with a new set of contributors, based on the risks identified by the 2019 contributors.

Furthermore, specific actions are taken to address the risks identified in the table below.

Key risks	Prevention or mitigation actions initiated or continued in 2019
Human rights and fundamental freedoms	
Violation of Human rights and fundamental freedoms: in particular management of human rights in totalitarian countries, discrimination, excessive working hours, development of illegal trafficking around site living quarters, child labour, forced labour and exploitation of vulnerable people	<ul style="list-style-type: none"> A more in-depth analysis of human rights and fundamental freedoms based on the UN Guiding Principles on Human Rights and the Maplecroft human rights risk atlas Identification of risk groups leading to a segmentation by risk situation
Health and safety	
Workplace accidents (particularly traffic accidents, falls, etc.) and occupational diseases	<ul style="list-style-type: none"> Various measures taken as part of the Safety Attitude approach, which is mainly based on the Colas group's Safety Charter. It comprises four pillars: observance of the rules, training and information sharing, preparation, control and implementation analysis. Safety initiatives: Goal Zero in the United States and Canada, ICSI for Spac and One Safety for DGF and Colas Rail Checking skills and specific authorizations at workstations at local level 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 group level. On-site meetings on health and safety issues: Starters and Safety Meetings Annual Safety Week (theme of the 2019 campaign: noise abatement) Continued training in workplace first aid Colas Share, a global intranet for sharing information, best practices and feedback In the event of a fatal accident, performing a "root cause" analysis and issuing a safety warning to managers. Objective: recap of points to watch, best practices and instructions to be observed Temporary employment agencies approved by Colas for use in France required to adhere to a number of safety pledges 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) Studies on the gradual roll-out of exoskeletons for injury prevention.
Security breaches	<ul style="list-style-type: none"> Publication of a security manual Awareness raising sessions on crisis management and security issues Risk mapping of country risk from a security perspective, updated daily and available to all employees on Colas Share. Colas refuses to work in high risk countries. It has drawn up instructions, action plans and protection measures for each risk level. In terms of crisis management, drawing up relocation and/or evacuation plans

Key risks	Prevention or mitigation actions initiated or continued in 2019
Environment Pollution (major sites, industrial processes using temperatures exceeding 250° C, storage and use of hazardous products and working on pressurized pipes)	<ul style="list-style-type: none"> • Identifying sites and major projects which, due to the nature and size of their activities, may lead to environmental risks. A risk analysis has been performed for all of those sites. Action plans addressing these risks are being implemented for each site or project presenting serious risks. • Comprehensive identification and conformity assessment of product storage tanks • Environmental self-assessment in the form of a questionnaire specific to Colas' business (asphalt mixing plants, emulsion plant, quarries, bitumen depots, etc.). Over 3,000 sites are assessed worldwide using the questionnaire, either annually or once every two years • Prevention of industrial risks, in particular environmental risks: (i) an industrial risk organization based on four pillars: reporting risky situations, root cause analysis, sharing and recommendations; (ii) a steering committee including representatives in the areas of the environment, equipment, prevention, technology, insurance and audit. This committee has drawn up and published recommendation factsheets specific to certain activities, which constitute group guidelines. • Monitoring and coordination by a network of 70 Environmental officers

Action plans and areas for improvement

Regarding human rights, Colas aims to roll out targeted action plans in geographies identified as risky, in order to prevent and, where necessary, remedy any breaches.

Regarding health and safety risks, Colas will disseminate new rules in all countries addressing major risks: rules of life and life-saving rules. The general awareness-raising campaign initiated in 2019 will continue in 2020.

Regarding environmental risks, external audits will be conducted at all high-risk sites. Furthermore, regarding industrial risks, a storage tank conformity plan will be drawn up and implemented in 2020.

In October 2019, Colas drew up a new purchasing procedure setting out responsible purchasing principles and the framework for selecting and assessing suppliers. In 2020, supplier pre-selection scorecards will be introduced including both financial and extra-financial criteria.

Colas will also continue to include the CSR charter in contracts with suppliers and sub-contractors and to improve its processes. The aim is to develop and roll out simple, harmonized and easily exploitable indicators by and/or risk.

4.3.4 TF1

Governance

TF1 has a vigilance plan monitoring committee comprising representatives from the CSR, Internal Control, Compliance and Legal departments, as well as risk contributors and owners (Purchasing, Human Resources and Data Protection Officer).

Risks

In 2019, the TF1 group did not identify any new risks regarding human rights and fundamental freedoms, health and safety and the environment. Actions initiated in 2018 therefore continued.

Key risks	Prevention or mitigation actions initiated or continued in 2019
Human rights and fundamental freedoms	
Child protection, violation of privacy, violation of the presumption of innocence	<ul style="list-style-type: none"> Rigorous oversight by the General Counsel's department, or the News or Broadcasting department, as regards compliance with the commitments made by TF1 (specifications and agreements signed with the CSA^a journalists' code of conduct, etc.), and as regards programme ethics and the protection of young viewers Creation of a committee responsible for the integrity, independence and pluralism of information and programmes, as required by the law of 14 November 2016 Preventive viewing of various programmes (by a psychologist for children and a special committee), and ensuring that programmes are appropriately rated Submission of advertising material where necessary to the ARPP^b and the CSA (advertising) for a prior opinion; A system of control over TF1 websites and community sites (moderation system, safe web browsing)
Violation of human rights (child labour, remuneration, etc.) in purchasing or the production of products sold by the Entertainment division (games, collections, DVDs, etc.) or in relationships with service providers	<ul style="list-style-type: none"> Suppliers and providers required to accept contractual undertakings (standard ethics and compliance clause in the terms and conditions of purchase). CSR questionnaires, accompanied as appropriate by EcoVadis assessments or sometimes on-site supplier and service provider audits In 2018, TF1's responsible purchasing approach was recognised with the renewal of its "Responsible Supplier Relations & Purchasing" label.
Personal data breaches	<ul style="list-style-type: none"> A specific organisation has been set up comprising a Data Protection Officer and a data privacy network comprising 54 operational and legal liaison officers in each of TF1's departments and subsidiaries. They are responsible for supporting organizational and technological change required to comply with the GDPR. Formal procedures for managing data subjects' rights and personal data breaches, as well as guidelines (e.g., on data retention periods), the Security check-list, the Privacy by Design check-list, tutorials and business segment factsheets Training for relevant employees Audits and pentests
Health and safety	
Safety breaches involving journalists (particularly in conflict zones), technical staff that support them, employees in general and candidates taking part in various TV programmes	<ul style="list-style-type: none"> Various procedures in place covering (i) the safety and security of sensitive productions, (ii) prevention of risks for news reporting teams, and (iii) control and access to buildings or sensitive sites. Training for employees exposed to various types of risks and providing specific equipment where necessary. Regular review of insurance policies by the Legal and Human Resources Departments.
Potentially high risk of break-in and attack at the Boulogne-Billancourt premises (Tour and Atrium buildings)	<ul style="list-style-type: none"> A specific three-pronged action plan run by TF1's Safety department: <ul style="list-style-type: none"> 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.).
Violation of consumer health (games, publishing, etc.)	<ul style="list-style-type: none"> Conformity tests (French and European standards) performed by external service providers (inspection firms, consultancy firms)
Environment	
Environmental risks (mainly waste management) arising from the operations of suppliers or subcontractors involved in the production of various programmes or in the transportation of products used	<ul style="list-style-type: none"> Responsible Purchasing policy Supplier assessment questionnaires Appropriate contractual provisions included in terms and conditions of purchase EcoVadis assessments with remedial action plans Training in responsible CSR purchasing for all buyers in the purchasing department (except for rights purchasers).

a French broadcasting authority.

b French advertising regulator.

Action plans and areas for improvement

In 2020, the TF1 group plans to improve and strengthen existing actions initiated in 2019. It will also adopt new action plans to address any new risks that might be identified during the year.

4.3.5 Bouygues Telecom

Governance

In 2018, Bouygues Telecom set up a cross-disciplinary steering committee to monitor the vigilance plan, comprising representatives of the Legal, Purchasing, Risk and CSR departments. In 2019, this governance system evolved and the Legal and CSR departments now share responsibility for running the committee. It has also been enlarged to encompass Human Resources and Regulatory Affairs, enabling it to exchange views and information about various risks. The shared risk mapping exercise has created a genuine cross-disciplinary approach to risk assessment.

Risks

Several cross-disciplinary procedures and practices are in place to address the risks identified in this plan:

- The CSR charter for Bouygues suppliers and sub-contractors is appended to orders and contracts managed by 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 Bouygues Telecom suppliers eligible for the CSR risk mapping by purchasing category.
- External audits gradually being rolled out to 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 2019
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 sub-contractors, etc.): <ul style="list-style-type: none"> ● in plants that manufacture Bouygues Telecom brand products; ● in plants that manufacture handsets; and ● in offshore call centres 	
Risk of violation of human rights related to the sourcing of conflict minerals used to manufacture electrical and electronic equipment (routers, network equipment, etc.)	<ul style="list-style-type: none"> ● Letter sent to the main suppliers of electrical and electronic equipment asking them what action they have taken to prevent the risk of violation of human rights related to the sourcing of conflict minerals used to manufacture electrical and electronic equipment.
Personal data breaches (error in processing the customer's choice or security breach)	<ul style="list-style-type: none"> ● Continued rollout of the GDPR compliance programme. ● Training programme for teams in charge of data processing. ● Audits, pentests and cyber threat intelligence.
Health and safety	
Health and safety of store staff: risk of external violence (armed robbery, physical aggression, protests)	<p>This risk, which was not identified last year, is now monitored closely due to an escalation in these types of event.</p> <p>The following actions have been taken:</p> <ul style="list-style-type: none"> ● Tighter physical security for stores. ● Support measures for staff, including security training.
Environment	
Risk related to exposure to radio frequencies	<ul style="list-style-type: none"> ● Update and roll-out of technical specifications for the location of 2G, 3G and 4G masts. ● Start of work on updating 5G technical specifications.
Risk related to the transportation of waste outside France (from telecoms sites during dismantling and resale)	<ul style="list-style-type: none"> ● This risk was addressed via a positive audit of a service provider in January 2019.

Action plans and areas for improvement

Regarding the risk of violation of human rights, Bouygues Telecom plans to set up a special decision committee to determine what action should be taken with a supplier following an audit revealing critical non-compliances.

Regarding the risk of personal data breach, Bouygues Telecom plans to strengthen its processes with its sub-contractors, continue training all its staff, continue its security programmes and strengthen its detection measures.

Regarding the health and safety of people in its stores, Bouygues Telecom plans to provide training in conflict management and to continue rolling out its programme to improve the physical security of its stores.

Regarding the risk of exposure to radio frequencies, Bouygues Telecom will continue to take action on 5G technical specifications (updating specifications and informing the relevant people).

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.

Although the whistleblowing system is a single system at Bouygues group level, alerts are dealt with at business segment level as the business segment Ethics Officer is the designated officer for dealing with alerts

(unless the whistleblower considers that the situation goes beyond the scope of the business segment, in which case the alert may be reported to the Group Ethics Officer instead).

In 2018 the Group set up an internal platform to make it easier for whistleblowers to use the system and to centralise alerts. 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 using a login and password. The whistleblower must act disinterestedly and in good faith, and must have witnessed the reported events first hand.

To ensure that this procedure is effective, the Group has communicated broadly 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;
- 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 2019, 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 the application and control of accounting risks, investments/divestments, provisions and commitments.

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 Financial communication

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 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 Committee is a key component in the internal control and risk management mechanism.

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 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, 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 (two 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 can account for up to 75% of the insurance budget of the business segment most exposed to those risks.

Looking beyond 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
- 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.

5

CORPORATE GOVERNANCE

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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. 225-37-2 and L. 225-37-5 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 17 February 2020. It was approved by the Board of Directors on 19 February 2020.

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

Not applicable.

Explanation

5.1 INFORMATION ON CORPORATE OFFICERS AT 31 DECEMBER 2019

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

(79,992,925 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.

Principal positions outside Bouygues SA

Chairman of SCDM.

Other positions and functions in the Group

In France: Director of TF1^a; 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 (outside the Group)

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).

2015 – Standing representative of SCDM; Chairman of La Cave de Baton Rouge.

a Listed company.

Deputy CEO, director



OLIVIER BOUYGUES

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 b, 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 c. He has held a seat on the Bouygues Board of Directors since 1984. In 2002, Olivier Bouygues was appointed Deputy CEO of Bouygues.

Principal positions outside Bouygues SA

CEO of SCDM.

Other positions and functions in the Group

In France: Director of TF1^a, Colas^a, Bouygues Telecom and Bouygues Construction; member of the Board of Bouygues Immobilier.

Outside France: Chairman of the Board of Directors of Bouygues Europe (Belgium).

Other positions and functions outside the Group

In France: Director of Alstom^a; Chairman of SCDM Domaines.

Outside France: Director of SCDM Energy Limited (United Kingdom); Chairman and CEO of Seci (Ivory Coast).

Former positions and functions during the last five years (outside the Group)

2017 – Chairman of Sagri.

2016 – Standing representative of SCDM on the Board of Bouygues.

2015 – Chairman of SCDM Énergie; director of Eranove (former-Finagestion), Sodeci^a (Ivory Coast), CIE^a (Ivory Coast) and Sénégalaise des Eaux (Senegal); liquidator of SIR.

a Listed company.

b Bouygues' oil and gas services activity, sold to Saipem in 2002.

c Bouygues' utilities subsidiary, sold to PAI Partners in 2004.

Deputy CEOs



PHILIPPE MARIEN^d

Expertise/experience

Philippe Marien is a graduate of École des Hautes Études Commerciales (HEC). He joined the Bouygues group in 1980 as international finance manager. In 1984, he was special advisor for the takeover of the AMREP oil services group before being appointed finance director of Techigaz, a liquefied gas engineering contractor, in 1985. In 1986, he joined the Group's finance department to take responsibility for the financial aspects of the takeover of Screg. He was successively Director of Finance and Cash Management at Screg in 1987 and Director of Finance at Bouygues Offshore b in 1991. He was appointed Senior Vice-President, Finance and Administration of Bouygues Offshore in 1998, then moved to Bouygues Bâtiment in 2000 as Chief Financial Officer. In March 2003, Philippe Marien became Chief Financial Officer of the Saur^c group, Bouygues' utilities subsidiary, of which he managed the sale by Bouygues to PAI partners, then by PAI partners to a new group of shareholders led by Caisse des Dépôts et Consignations. He was appointed Chief Financial Officer of the Bouygues group in September 2007. In February 2009, Philippe Marien was appointed Chairman of Bouygues Telecom's Board of Directors, a position that he held until April 2013. He took on the position of Senior Vice-President and Chief Financial Officer, Information Systems and Innovation in 2015 and Human Resources in 2016. On 30 August 2016, he was appointed Deputy CEO of Bouygues.

Other positions and functions in the Group

In France: Standing representative of Bouygues on the Boards of Bouygues Construction, Bouygues Telecom, Colas^a and TF1^a; member of the Board of Bouygues Immobilier.

Outside France: Director of Bouygues Europe (Belgium); Chairman of Uniservice (Switzerland).

Other positions and functions outside the Group

In France: CEO of SCDM; standing representative of Bouygues on the Board of Alstom^a.

Former positions and functions during the last five years (outside the Group)

2015 – Liquidator of Finamag.



OLIVIER ROUSSAT

5

Expertise/experience

Olivier Roussat is a graduate of INSA – Lyon. He began his career in 1988 at IBM, where he occupied 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. Since 30 August 2016, Olivier Roussat has been Deputy CEO of Bouygues.

Principal positions outside Bouygues SA

Chairman of the Board 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.

^b Bouygues' oil and gas services activity, sold to Saipem in 2002.

^c Bouygues' utilities subsidiary, sold to PAI Partners in 2004.

^d Philippe Marien resigned from office as a Deputy CEO on 19 February 2020. He remains a member of the Group Management Committee.

Directors



FRANCIS CASTAGNÉ

Director representing employees
Member of the Selection and Remuneration Committee

Expertise/experience

Francis Castagné has spent all his career with the Bouygues group, in the construction businesses. Between 1990 and 1997, he was a construction engineer at Screg Équipements Publics et Industriels. He moved on to become head of main contractor production at SB Ballestrero between 1997 and 2000, then Director of Projects at Bouygues Bâtiment Ile-de-France between 2000 and 2007. Since 2008, he has been Works Director at Bouygues Construction, with responsibility for several project teams in the field of commercial property construction in the Paris region.

Principal positions outside Bouygues SA

Works Director at Bouygues Bâtiment Ile-de-France – Construction Privée.

Date of birth:

29 December 1963

Nationality: French**Professional address:**

1 avenue Eugène Freyssinet
78280 Guyancourt

First appointment to Board:

27 April 2016

Expiry of term of office: 2020**Attendance rate at Board meetings:**

100%

Attendance rate at Selection and Remuneration Committee meetings:

100%



RAPHAËLLE DEFLESELLE

Director representing employees
Member of the Ethics, CSR and Patronage Committee

Expertise/experience

Raphaëlle Defleselle is an engineering graduate of École Polytechnique Féminine (EFP). 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 positions outside Bouygues SA

Director of Operations and Projects at Bouygues Telecom Entreprises.

Date of birth: 27 April 1972**Nationality:** French**Professional address:**

13-15 avenue du Maréchal Juin
92360 Meudon

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%



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 positions 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 (outside the Group)

2018 – Chair of the Women's Forum.

2017 – CEO of Raise Conseil.

2016 – Chair of GE France.

^a Listed company.



Date of birth: 27 July 1951

Nationality: French

Professional address:

9 place Vauban
75007 Paris

First appointment to Board:
26 April 2012

Expiry of term of office: 2021

Shares held: 500

Attendance rate at Board meetings:
85%

Attendance rate at Ethics, CSR and Patronage Committee meetings:

100%

Attendance rate at Audit Committee meetings:

80%

ANNE-MARIE IDRAC

Independent director

Chairwoman of the Ethics, CSR and Patronage Committee

Member of the Audit Committee

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 positions 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 (outside the Group)

2018 – Chair of the supervisory board of Toulouse-Blagnac Airport; Senior Advisor to Suez^a.

2015 – Member of the supervisory board of Vallourec^a.

2014 – Director of Mediobanca^a (Italy).

^a Listed company.



HELMAN LE PAS DE SÉCHEVAL

Independent director

Chairman of the Audit Committee

Member of the Selection and Remuneration Committee

Expertise/experience

Helman le Pas de Sécheval is a graduate of École Normale Supérieure with a PhD in Physical Sciences and an engineering degree from École des Mines. He began his career in 1991 as a project manager in the financial engineering department of Banexi. From 1993 to 1997, he was deputy inspector-general of the underground quarries of Paris. In July 1997, he was appointed deputy to the head of the Department of Financial Operations and Information of the COB (now the AMF), becoming head of this department in 1998. From November 2001 to December 2009, Helman le Pas de Sécheval was group Chief Financial Officer of Groupama, with responsibility for the group's financing, investing, reinsurance and accounting divisions and oversight of the group's financial subsidiaries as well as GIE Groupama Systèmes d'Information. From January 2010 to December 2011, he was Managing Director of Groupama Centre-Atlantique. In September 2012, he was appointed General Counsel of the Veolia group. He was appointed member of the Board of the AMF in February 2015 and appointed director of Institut Français des Administrateurs (IFA) in May 2018.

Principal positions outside Bouygues SA

General Counsel of the Veolia^a group.

Other positions and functions outside the Group

In France: Member of the Board of the AMF; director of Institut Français des Administrateurs (IFA).

Date of birth:	21 January 1966
Nationality:	French
Professional address:	30 rue Madeleine-Vionnet 93300 Aubervilliers
First appointment to Board:	24 April 2008
Expiry of term of office:	2020
Shares held:	600
Attendance rate at Board meetings:	85%
Attendance rate at Audit Committee meetings:	100%
Attendance rate at Ethics, CSR and Patronage Committee meetings:	100%

^a Listed company.



COLETTE LEWINER

Independent director

Chairwoman 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, before taking charge of fuel oil and uranium purchases. In 1987, she was appointed head of the fuel procurement department. 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 high-level committee charged with advising the French government on research and innovation strategy.

Principal positions 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: Director of Nexans^a, Getlink^a, EDF^a and CGG^a.

Former positions and functions during the last five years (outside the Group)

2018 – Director of Ingenico^a.

2016 – Director of Crompton Greaves Limited^a (India).

2015 – Director of TGS Nopec Geophysical Company^a (Norway); Chairwoman of the Board of Directors of TDF.

2014 – Director of Lafarge^a.

^a Listed company.



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 positions 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 and Rothschild Martin Maurel Associés SAS; director of Rothschild & Co Concordia SAS; managing partner of RCB Partenaires SNC; 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 (outside the Group)

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 & Co Holding 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:**33 rue Frémicourt
75015 Paris**First appointment to Board:**
25 April 2013**Expiry of term of office:** 2022**Shares held:** 531**Attendance rate at Board meetings:**

100%

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 Altéedia 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 positions outside Bouygues SAVice-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 (outside the Group)

2018 – Senior Advisor to BPI Group.

2016 – Chairwoman of the Board of Directors of Institut Pasteur.

2015 – Director of Casino ^a, member of the Conseil Supérieur de la Magistrature.

2014 – Director of Air France.

^a Listed company.

**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 Deputy Director supporting Human Resources digital projects and is currently Deputy Director, Opéra IT project management.

Principal positions outside Bouygues SA

Deputy Director, Opéra IT project management at Bouygues Immobilier.

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%

SCDM, REPRESENTED BY CHARLOTTE BOUYGUES

Address:

32 avenue Hoche
75008 Paris

First appointment to Board:

22 October 1991

Expiry of term of office: 2022

Shares held: 79,892,925

Other positions and functions in the Group

In France: Director of 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 (outside the Group)

2018 – Chair of Actiby.

2015 – Chair of SCDM Invest-3, now La Cave de Baton Rouge.



CHARLOTTE BOUYGUES, STANDING REPRESENTATIVE OF SCDM

Standing representative of SCDM since 11 June 2018

Expertise/experience

Charlotte Bouygues graduated from Babson College in the United States, where she specialised in strategic management. She was product marketing manager at L'Oréal in the United States for three years, before joining TF1 Publicité in September 2016 where she held a post in advertising sales for two years. She then joined the programming teams, in charge of programming for the TF1 channel. She has been a Director of E-Commerce at Aufeminin since September 2019.

Principal positions outside Bouygues SA

Director of E-commerce at Aufeminin.

Other positions and functions in the Group

In France: Director of Bouygues Telecom.

Date of birth:

29 July 1991

Nationality: French**Professional address:**

8 rue Saint-Fiacre
75002 Paris

First appointment to Board:
11 June 2018**Attendance rate at Board meetings:**

85%

SCDM PARTICIPATIONS, REPRESENTED BY WILLIAM BOUYGUES

Address:

32 avenue Hoche
75008 Paris

First appointment to Board:

21 April 2016

Expiry of term of office: 2022

Shares held: 100,000



Date of birth: 2 July 1987

Nationality: French

Professional address:

1 avenue Eugène Freysinet
78280 Guyancourt

First appointment to Board:

11 June 2018

Attendance rate at Board meetings:

100%

WILLIAM BOUYGUES, REPRESENTED BY SCDM PARTICIPATIONS

Expertise/experience

William Bouygues graduated from the London School of Economics and Political Science in Economics and Economic History. Following work experience in various construction businesses, he joined Bouygues Bâtiment Ile-de-France – Rénovation Privée in September 2011, where he held the post of works supervisor for two years. Drawing on this experience, he then joined the sales teams within the same entity until December 2016, when he moved on to Bouygues Bâtiment International in the structure and development teams. In March 2018, he became Smart Office services manager at Bouygues Energies & Services. Since January 2019, he has been property development manager at Linkcity (Bouygues Construction) for Paris and the Hauts-de-Seine department.

Principal positions outside Bouygues SA

Property development manager at Linkcity (Bouygues Construction) for Paris and the Hauts-de-Seine department.

Other positions and functions in the Group

In France: Director of Bouygues Construction; member of the Board of Bouygues Immobilier; member of the Board of Directors of the Francis Bouygues Foundation.

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.

Combination of the offices of Chairman and Chief Executive Officer

In April 2002, the Board of Directors opted not to separate the functions of Chairman and Chief Executive Officer. The Board has consistently renewed that option, most recently in May 2019. Martin Bouygues therefore fulfils a dual role as Chairman of the Board of Directors and Chief Executive Officer.

The Board takes the view that combining the positions of Chairman and Chief Executive Officer promotes effective governance, particularly in view of the Bouygues group's organisational structure. Martin Bouygues is Chairman and Chief Executive Officer of Bouygues, the Group's parent company. In his role as Chief Executive Officer, he is supported by three Deputy Chief Executive Officers.

However, Martin Bouygues does not have executive power over any of the Group's five business segments, which is vested in the executive

directors of the major subsidiaries: Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom. Consequently, Martin Bouygues does 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.

There is no senior independent director or Vice-Chairman. Relations with shareholders – especially as regards corporate governance – are handled by the Chairman and Chief Executive Officer, the Deputy Chief 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.

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 and 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 as Deputy Chief Executive Officers to assist the Chief Executive Officer.

Olivier Bouygues was appointed as a Deputy Chief Executive Officer in 2002, and Philippe Marien and Olivier Roussat in 2016. All three have the

same powers as the Chief Executive Officer in dealings with third parties. They assist Martin Bouygues in the exercise of his executive power.

Philippe Marien resigned on 19 February 2020 after the Board of Directors' meeting on the same day.

Age limit

The articles of association set an age limit of 70 for the offices of Chairman, Chief Executive Officer and Deputy Chief Executive Officer. When a person holding any of these offices reaches the age of 65, his or her term is submitted to the Board of Directors at its next subsequent

meeting for confirmation for a period of one year. The Board of Directors may then renew the term annually for one-year periods up to the age of 70, at which time the person is considered to have automatically resigned.

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 Article L. 225-18-1 of the Commercial Code, neither gender may account for less than 40% of the composition of the Board (excluding directors representing employees),
 - the representation of employees on company boards (Article L. 225-27-1 of the Commercial Code),
 - the 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	Article L. 225-23 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	Article L. 225-27-1 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 2019

For a full career résumé of each director see section 5.1. Overview of Board members:

Name	Profile			Board membership		Membership of Board committees				Other offices held ^b
	Age	Gender	Nation- ality	Number of shares held	Start of first term ^a	End of current term	Length of service	Audit Committee	Selection and Remu- neration Committee	
Executive Officers (from the SCDM group)										
Martin Bouygues Chairman and CEO	67	M	FR (79,992,925 via SCDM)	369,297	1982	2021	37			
Olivier Bouygues Deputy CEO	69	M	FR (79,992,925 via SCDM)	193,021	1984	2022	35			1 (Alstom)
Directors representing the SCDM group										
Charlotte Bouygues Standing representative of SCDM	28	F	FR SCDM: 79,892,925		2018	2022	1			
William Bouygues Standing representative of SCDM Participations	32	M	FR SCDM Participations: 100,000		2018	2022	1			
Independent directors										
Clara Gaymard	59	F	FR	500	2016	2022	3			3 (Veolia Environnement, LVMH, Danone)
Anne-Marie Idrac	68	F	FR	500	2012	2021	7			4 (Total, Saint-Gobain, Air France-KLM, Sanef)
Helman le Pas de Sécheval	53	M	FR	600	2008	2020	11			
Colette Lewiner	74	F	FR	12,685	2010	2022	9			4 (Nexans, Getlink, EDF, CGG)
Rose-Marie Van Lerberghe	72	F	FR	531	2013	2022	6			2 (Klépierre, CNP Assurances)
Other director										
Alexandre de Rothschild	39	M	FR	500	2017	2020	2			
Directors representing employee shareholders										
Raphaëlle Deflesselle	47	F	FR	Unspecified	2014 ^c	2022	5			
Michèle Vilain	58	F	FR	Unspecified	2010	2022	9			
Director representing employees										
Francis Castagné	56	M	FR	Unspecified	2016	2020	3			

a Either in a personal capacity or as a standing representative.

b Shareholders in companies outside the Bouygues group.

c Raphaëlle Deflesselle served as a director representing employees from May 2014 to May 2018. On 25 April 2019 she was appointed as a director representing employee shareholders.



Chair



Member

Experience and expertise of Board members



5.3.1.3 Changes in the composition of the Board of Directors in 2019

During 2019, the Board of Directors reduced in size from 14 to 13 members.

Date	Departures	Appointments	Reappointments
25 April 2019	Patrick Kron Sandra Nombret (director representing employee shareholders)	Raphaëlle Deflesselle (director representing employee shareholders)	Olivier Bouygues SCDM SCDM Participations Clara Gaymard Colette Lewiner Rose-Marie Van Lerberghe Michèle Vilain (director representing employee shareholders)

5.3.1.4 Diversity policy applied to Board members

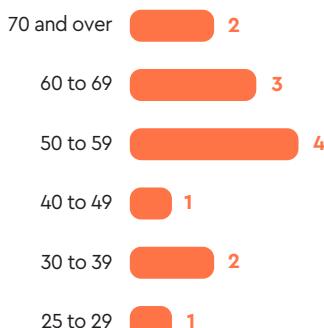
In accordance with the Afep-Medef Code, the Board periodically reassesses the preferred balance of its membership and of its committees, especially as regards diversity (gender balance, international experience, expertise, etc.). The objectives, procedures and outcomes of this diversity policy are presented 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	<p>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.</p> <p>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.</p> <p>Reappointments of directors are <i>de facto</i> 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.</p> <p>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.</p>
Outcomes	<p>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.</p> <p>Independent directors See section 5.3.2.</p> <p>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 binational culture.</p> <p>Gender balance At 31 December 2019, without taking account of the director representing employees (as stipulated in Article L. 225-27 of the Commercial Code), seven of the twelve directors on the Board were women, a proportion of 58%, versus 54% a year earlier. At the same date, seven out of ten seats on committees were held by women, a proportion of 70%, unchanged from the previous year.</p>

Age

The average age of directors at 31 December 2019 was 55.5. 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 2019 was 9.9 years. Leaving aside Martin Bouygues and Olivier Bouygues, it was 5.2 years.

Number of directors by length of service



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;
- the fact that most positions of responsibility are filled by promoting internal candidates.

The Group's gender balance policy (see section 3.2.3.3) should eventually lead to a more balanced gender split on the Group Management Committee.

This Committee essentially consists of the Chairmen and CEOs of each of the Bouygues group's five business segments. However, in 2017 the Group launched an initiative 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.

Gender balance in the 10% of positions with the greatest responsibility

Women hold 7.1% of the 10% of positions at Bouygues SA with the greatest level of responsibility. However, 31.7% of positions at department head level or higher within Bouygues SA are filled by women, so this 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- director- ships	Criterion 3: Material business relation- ships	Criterion 4: Family ties	Criterion 5: Statutory auditor	Criterion 6: More than 12 years' service	Criterion 7: Non- Executive Officer	Criterion 8: Significant share- holder	Independent director status
Martin Bouygues	■	■	■	■	■	■	■	■	No
Olivier Bouygues	■	■	■	■	■	■	■	■	No
Charlotte Bouygues (SCDM)	■	■	■	■	■	■	■	■	No
William Bouygues (SCDM Participations)	■	■	■	■	■	■	■	■	No
Francis Castagné	■	■	■	■	■	■	■	■	No
Raphaëlle Deflesselle	■	■	■	■	■	■	■	■	No
Clara Gaymard	■	■	■	■	■	■	■	■	Yes
Anne-Marie Idrac	■	■	■	■	■	■	■	■	Yes
Helman le Pas de Sécheval	■	■	■	■	■	■ ^a	■	■	Yes
Colette Lewiner	■ ^b	■	■	■	■	■	■	■	Yes
Alexandre de Rothschild	■	■	■	■	■	■	■	■	No
Rose-Marie Van Lerberghe	■	■	■	■	■	■	■	■	Yes
Michèle Vilain	■	■	■	■	■	■	■	■	No

■ Independence criterion met. ■ Independence criterion not met.

a Helman le Pas de Sécheval will have 12 years' length of service on the Board when the Annual General Meeting is held on 23 April 2020. From that date, he will no longer be regarded as independent under the criteria of the Afep-Medef Code.

b Colette Lewiner is also a director of Colas, a company 96.6% 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).

As regards criterion 3 (material business relationships), the Board obtained assurance 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	<ul style="list-style-type: none"> • 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: "<i>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).</i>" Additional information about how the Bouygues group manages conflicts of interest is given in section 5.3.5.2.
Quantitative criteria	<ul style="list-style-type: none"> • 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	<p>Clara Gaymard is Co-founder of Raise. She is a director (since 2016) of Veolia Environnement, LVMH, Danone and Sages.</p> <p>The Selection and Remuneration Committee took account of the following factors:</p> <ul style="list-style-type: none"> • 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 Raise investment fund in 2018. The Board of Directors takes the view that those investments do not undermine the independence of Clara Gaymard, given: <ul style="list-style-type: none"> ■ the specific aims of those funds (support for innovative French businesses, and the existence of a philanthropic endowment fund dedicated to start-ups); ■ the immateriality of the interest held by Bouygues in the fund's capital.
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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. Specifically, the Colas group generated 0.2% of its 2019 sales from dealings with Sanef.
- 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 Nexans (since 2004), 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 and Nexans 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.
- 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 2019, Bouygues Construction generated 4.4% of its consolidated sales from dealings with the EDF group (versus 3.1% in 2018, 3% in 2017, 2.2% in 2016 and 2.6% in 2015). 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 joint venture 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.

Helman le Pas de Sécheval

Helman le Pas de Sécheval is General Counsel of the Veolia group (since 2012). He is a member of the Board of the AMF (since 2015).

The Selection and Remuneration Committee took account of the following factors:

- Business relationships exist between Bouygues group entities and entities of the Veolia 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.
- There is no relationship of economic dependence, exclusivity or dominance in the sectors in which the Veolia group has 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.
- Helman le Pas de Sécheval has no operational role within Veolia. He 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.
- He receives no remuneration from and has no personal interest in the contracts in question.

Rose-Marie Van Lerberghe	<p>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.</p> <p>The Selection and Remuneration Committee took account of the following factors:</p> <ul style="list-style-type: none"> ● 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.
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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).

Those proportions do not take into account directors representing employee shareholders or representing employees.

As of 31 December 2019, five of the ten members of the Bouygues Board of Directors (50%) were independent.

At the conclusion of the Annual General Meeting on 23 April 2020, the percentage of independent directors will remain at 50%, subject to approval of the resolutions on the reappointment of directors.

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.

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 through public offerings or private placements 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;
- the Board, on a proposal from senior management, 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;
- 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 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 shall 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 2019

The Board of Directors met seven times in 2019. The attendance rate was 94%.

The table below shows the main issues that featured on the agenda of each meeting.

15 January	<ul style="list-style-type: none"> • Three-year strategic priorities and business plans (2019-2021) for the Group and its business segments. • Mapping of the Group's major risks. • Report of the Audit Committee. • Consultation of the Economic and Social Committee on strategic priorities. • Review of the principal claims and litigation involving the Group. • Report of the Ethics, CSR and Patronage Committee. • Review of ongoing regulated agreements. • Outcome of the Bouygues Confiance n°10 employee share ownership plan. • Evaluation of the composition and operation of the Board and committees. • 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.
20 February	<ul style="list-style-type: none"> • 2018 business activity, outlook and objectives of the Group and business segments for 2019. • Report of the Audit Committee. • Opinion of the statutory auditors. • Closing off the consolidated and parent company financial statements for the 2018 financial year, accounting documents and forecasts, consolidated financial statements, proposed appropriation of profits, and management report. • Report of the Selection and Remuneration Committee. • Setting the variable remuneration of senior executives for the 2018 financial year and determining the remuneration policy applicable to senior executives for the 2019 financial year. • Approval of the management report and the Report on corporate governance. • Proposed reappointment of directors and appointment of a new director. • Report on payments made to governments (extractive industries). • Convening of the Combined Annual General Meeting, finalisation of the agenda, the draft resolutions and the reports submitted to the general meeting. • Delegations of financial authority relating to bonds. • Description of the share buyback programme. • Cancellation of shares. • Updating of the Rules of Procedure of the Board of Directors.
15 May	<ul style="list-style-type: none"> • Business activity and financial statements for the first quarter of 2019. • Alstom group: results for the 2018/19 financial year, and outlook. • Comparisons between the Bouygues group and its competitors. • Outlook for the Bouygues group. • Report of the Audit Committee and opinion of the statutory auditors. • Closing off the first-quarter financial statements. • Decision on executive management governance arrangements – renewal of the terms of office of Martin Bouygues as Chairman and Chief Executive Officer. • Group human resources policy. • 2019 stock option plan. • Training for the director representing employees.
28 August	<ul style="list-style-type: none"> • Key figures and business activity for the first half of 2019. • R&D activities in the Group. • Outlook for full-year 2019. • Presentation of first-half 2019 results. • Report of the Audit Committee and opinion of the statutory auditors. • Closing off the first-half financial statements and approval of the 2019 First-half Financial Report. • Renewal of the terms of office of the Deputy Chief Executive Officers. • Renewal of the authority granted to the Chairman and Chief Executive Officer to give guarantees, endorsements and sureties. • Update on the 2019 stock option plan. • Training for directors representing employees/employee shareholders. • Updating of the Rules of Procedure of the Board of Directors.
10 September	<ul style="list-style-type: none"> • Partial divestment of the equity interest held by Bouygues in Alstom.
2 October	<ul style="list-style-type: none"> • Bouygues Confiance n°11 employee share ownership plan.
13 November	<ul style="list-style-type: none"> • Business activity and financial statements for the first nine months of 2019. Outlook for full-year 2019. • Report of the Audit Committee. • Auditors' report. • Closing off the nine-month 2019 financial statements. • Terms and conditions of capital increase reserved for employees (Bouygues Confiance n°11) and adoption of supplementary report. • Updating of the Group's Internal Charter on Regulated Agreements. • Approval of the procedure for assessing ordinary agreements. • Approval of 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	Helman le Pas de Sécheval	Independent director
 MEMBERS	Clara Gaymard	Independent director
	Anne-Marie Idrac	Independent director
	Michèle Vilain	Director representing employee shareholders

The membership of the Audit Committee remained unchanged in 2019.

Three members of the Committee have particularly extensive skills and experience in financial matters.

- Helman le Pas de Sécheval has been head of the Financial Operations and Information department of the Commission des Opérations de Bourse (now the AMF), and Chief Financial Officer of the Groupama group; he is currently on the Board of the AMF.
- 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;
- 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	<ul style="list-style-type: none"> Reviewing the parent company and consolidated financial statements, as well as the statement of extra-financial performance, before they are presented to the Board. 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 services other than the statutory audit of the financial statements. Approving the provision of any services other than statutory audit 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 Chairman 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 2019

The Audit Committee met five times in 2019. The attendance rate was 95%.

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:

11 January	<ul style="list-style-type: none"> • Mapping of the Group's major risks. • Principal claims and litigation. • Approval of non-audit services.
18 February	<ul style="list-style-type: none"> • Key estimates and significant transactions for the 2018 financial year. • Activity on major projects. • Impact of first-time application of IFRS 16 (Leases) on the Group's consolidated financial statements. • Supplementary report of the statutory auditors to the Audit Committee. • Annual auditors' fees, and statement of non-audit services. • Approval of non-audit services. • Overview of internal audit assignments in 2018. • Overview of fraud reporting in 2018. • Draft report on internal control procedures and risk management. • Presentation by statutory auditors.
13 May	<ul style="list-style-type: none"> • Key estimates and significant transactions for the first quarter of 2019. • Activity on major projects. • Fees paid to statutory auditors for non-audit services. • Approval of non-audit services. • Overview of 2018 internal control assessment campaign. • Overview of Group insurance programmes.
26 August	<ul style="list-style-type: none"> • Key estimates and significant transactions for the first half of 2019. • Activity on major projects. • Presentation by statutory auditors of their 2019 audit approach. • Fees paid to statutory auditors for non-audit services. • Approval of non-audit services. • Overview of internal audit assignments in the first half of 2019.
8 November	<ul style="list-style-type: none"> • Significant issues for the third quarter of 2019. • Treatment of the partial sale of Bouygues' equity interest in Alstom. • Completion of work on new accounting standards. • Activity on major projects. • Fees paid to statutory auditors for non-audit services, and forecast audit fees for 2019. • Approval of non-audit services. • Update on action plans related to mapping of the Group's major risks. • Group cybersecurity policies. • Progress on compliance with the General Data Protection Regulation (GDPR).

In furtherance of its remit the Audit Committee interviewed Philippe Marien, Deputy CEO of the Group (in particular on material risks and off-balance sheet commitments of the company), the Accounts and Audit Director, the head of 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 currently comprises the following directors:

 CHAIRWOMAN	Colette Lewiner	Independent director
 MEMBERS	Francis Castagné Helman le Pas de Sécheval	Director representing employees Independent director

The membership of the Selection and Remuneration Committee remained unchanged in 2019.

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	<ul style="list-style-type: none"> • 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 functions 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	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ■ for variable remuneration components: <ul style="list-style-type: none"> ▪ proposing definitions for how the variable component objectives are to be determined; ▪ 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- and long-term strategy; ■ for long-term remuneration components: <ul style="list-style-type: none"> ▪ 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 a recommendation 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 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. • Presenting annually the drafts of the reports on the remuneration of corporate officers, on the remuneration policy applicable to Executive Officers, and on stock options or performance shares.

Operation

Selection and Remuneration Committee meetings are called by the Chairman 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 Chairman, are in attendance. 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 Chairman 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 2019

The Selection and Remuneration Committee met four times in 2019. The attendance rate was 100%.

15 February	<ul style="list-style-type: none"> • 2018 Report on remuneration. • 2018 Report on stock options. • Proposed 2019 remuneration policy. • 2019 stock option plan. • Defined-benefit pension schemes. • Group salary policy. • Examination of the composition of the Board of Directors. • Proposed renewal of the terms of offices of directors. • Proposed appointment of new directors. • Opinion on the draft Report on corporate governance.
10 May	<ul style="list-style-type: none"> • Decision on executive management governance arrangements – renewal of the term of office of Martin Bouygues as Chairman and Chief Executive Officer. • Membership of Board committees. • 2019 stock option plan. • Update on the Annual General Meeting of 25 April 2019. • Any other business.
27 August	<ul style="list-style-type: none"> • Renewal of the terms of office of the Deputy Chief Executive Officers. • Succession plan for key executives. • Directors' remuneration (formerly directors' fees). • Training for directors representing employees/employee shareholders. • Organisation of the evaluation of the Board and its committees. • Any other business.
19 December	<ul style="list-style-type: none"> • Evaluation of the Board of Directors and of the specialised committees. • Remuneration of corporate officers.

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 Rose-Marie Van Lerberghe	Director representing employee shareholders Independent director

During 2019, the membership of the Ethics, CSR and Patronage Committee changed as follows:

Date	Departure	New member
25 April 2019	Sandra Nombret (director representing employee shareholders)	
15 May 2019		Raphaëlle Deflesselle (director representing employee shareholders)

Remit

The remit of the Ethics, CSR and Patronage Committee is as follows:

Subject	Detailed description
Ethics	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 Chairman 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 2019

The Ethics, CSR and Patronage Committee met five times in 2019. The attendance rate was 100%.

12 February	<ul style="list-style-type: none"> • Presentation of the annual CSR report and of the independent verifier's opinion. • Proposal for CSR and compliance issues to be addressed at Committee meetings in 2019. • CSR criteria for use in determining the variable remuneration of the Executive Officers. • Colas/Sapin 2 law presentation. • Presentation and status report by the Group Compliance Coordination Committee. • Patronage. • Ongoing matters.
15 May	<ul style="list-style-type: none"> • Update on ongoing matters.
28 August	<ul style="list-style-type: none"> • CSR update. • Patronage. • Update on the ethics function. • Any other business.
17 September	<ul style="list-style-type: none"> • CSR update – duty of vigilance. • Ethics update. • Any other business.
12 December	<ul style="list-style-type: none"> • Status report/Sapin 2 law. • Statistics. • Patronage and sponsorship matters. • Update on ongoing matters. • 2020 programme.

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

In 2019, the attendance rates at Board and committee meetings were:

	Board of Directors	Audit Committee	Selection and Remuneration Committee	Ethics, CSR and Patronage Committee
Martin Bouygues (Chairman and CEO)	7/7 (100%)			
Oliver Bouygues (Deputy CEO)	6/7 (85%)			
Charlotte Bouygues (standing representative of SCDM)	6/7 (85%)			
William Bouygues (standing representative of SCDM Participations)	7/7 (100%)			
Francis Castagné (director representing employees)	7/7 (100%)		4/4 (100%)	
Raphaëlle Deflesselle (director representing employee shareholders - appointed 25 April 2019)	5/5 (100%)			3/3 (100%)
Clara Gaynard	5/7 (71%)	5/5 (100%)		
Anne-Marie Idrac	6/7 (85%)	4/5 (80%)		5/5 (100%)
Patrick Kron (term of office expired 25 April 2019)	2/2 (100%)			
Helman le Pas de Sécheval	6/7 (85%)	5/5 (100%)	4/4 (100%)	
Colette Lewiner	7/7 (100%)		4/4 (100%)	
Sandra Nombret (director representing employee shareholders - term of office expired 25 April 2019)	2/2 (100%)			1/1 (100%)
Alexandre de Rothschild	7/7 (100%)			
Rose-Marie Van Lerberghe	7/7 (100%)			5/5 (100%)
Michèle Vilain (director representing employee shareholders)	7/7 (100%)	5/5 (100%)		
Average	94%	95%	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.

To date, 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, Charlotte Bouygues, William Bouygues, Raphaëlle Deflesselle and Michèle Vilain;

- Martin Bouygues, Olivier Bouygues, Charlotte Bouygues and William Bouygues have family ties with one another. The company is not aware of other family ties between Board members;
- Charlotte Bouygues, William Bouygues, Francis Castagné, Raphaëlle Deflesselle and Michèle Vilain are bound by employment contracts to Bouygues subsidiaries;
- potential conflicts of interest exist because some of the directors hold functions or directorships in other companies. The list of those functions or directorships is set out above (see section 5.1);
- Martin Bouygues, Olivier Bouygues, William 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 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.

The main conclusions of the evaluation were as follows:

General evaluation	<ul style="list-style-type: none"> • Board and its committees operating well. • Good quality of discussion. • Good level of contribution by each director to the work of the Board.
Progress achieved	<p>The observations or wishes expressed by directors in recent years have been taken into account:</p> <ul style="list-style-type: none"> • The number of directors has been reduced. • The proportion of women on the Board has been increased. • The level of directors' remuneration was reassessed as of 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. • Since 2017, the Board has been given an annual presentation on the Human Resources function. • The proportion of independent directors has been increased, reaching 50% since the 2019 Annual General Meeting.
Areas for improvement	<p>The following suggestions were made by certain directors at the end of 2019:</p> <ul style="list-style-type: none"> • Recruit new independent directors to replace those who are due to reach the end of the 12-year limit for serving as directors. • Update the rules of procedure of the Selection and Remuneration Committee. • Increase the remuneration paid to Committee chairmen and chairwomen. • Ensure the Board is subject to an external evaluation every three years. • Scale up discussions, especially at the annual Board meeting dedicated to strategy. <p>The following steps were taken in response to those suggestions:</p> <ul style="list-style-type: none"> • The rules of procedure of the Selection and Remuneration Committee were updated in February 2020. • The Board meeting of 19 February 2020 will ask the Annual General Meeting of 23 April 2020 to approve the appointment of Benoît Maes as a new independent director. • The Board meeting of 19 February 2020 decided to increase the remuneration paid to Committee chairmen and chairwomen.

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 2019.

Only the authorisations to award stock options and increase share capital for the benefit of employees were used during the 2019 financial year.

Purpose	Maximum nominal amount	Expiry/Duration	Use in 2019
1. Increase the share capital with pre-emptive rights for existing shareholders (AGM of 25 April 2019, Resolution 22)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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)	6,031,363 new shares (1.6% of the share capital) issued on 20 December 2019 as part of the Bouygues Confiance n°11 employee share ownership plan.
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)	2,898,500 stock options (0.8% of the share capital) granted to 665 beneficiaries on 31 May 2019 at a subscription price of €32.59. No award made to Executive Officers.
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 25 April 2019, Resolution 34)	<ul style="list-style-type: none"> • 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 	25 October 2020 (18 months)	None

^a To be deducted from the overall ceiling referred to in point 1.

5.4 REMUNERATION OF CORPORATE OFFICERS OF BOUYGUES SA (EXECUTIVE OFFICERS AND DIRECTORS)

This chapter contains the reports required by the Commercial Code and the tables recommended in the Afep-Medef Corporate Governance Code (the "Afep-Medef Code") or in AMF pronouncements on disclosures about the remuneration of corporate officers to be included in the Universal Registration Document.

The Board of Directors determines the remuneration policy, acting on recommendations from the Selection and Remuneration Committee (section 5.4.1, Remuneration policy).

In accordance with Article L. 225-37-3 of the Commercial Code, the Board of Directors reports to the Annual General Meeting on all remuneration paid or awarded to each Executive Officer in respect of the financial year (section 5.4.2, 2019 Remuneration).

5.4.1 Remuneration policy

This remuneration policy has been prepared on the basis of the information required by Article L. 225-37-2 of the Commercial Code as amended by Order No. 2019-134 of 27 November 2019 and the associated enabling decree.

It was signed off at the Board meeting of 19 February 2020, on the recommendation of the Selection and Remuneration Committee.

In accordance with Article L. 225-37-2 of the Commercial Code, this policy is being submitted for approval by the Annual General Meeting on 23 April 2020, in the fifth and sixth resolutions.

It will be published on the Bouygues corporate website on the first business day following the vote and will remain accessible to the public free of charge during the period for which it applies, along with the date of the Annual General Meeting and the result of the vote.

The remuneration policy is split into two parts:

- the remuneration policy applied to all corporate officers (5.4.1.1);
- the remuneration policy applied to each individual corporate officer (5.4.1.2).

5.4.1.1. Remuneration policy applied to all corporate officers

The present remuneration policy is consistent with the remuneration policy approved by the Annual General Meeting on 25 April 2019.

As of 1 January 2020, the corporate officers of Bouygues SA are Martin Bouygues, Chairman and Chief Executive Officer; Olivier Bouygues, Deputy Chief Executive Officer; Olivier Roussat, Deputy Chief Executive Officer; Philippe Marien, Deputy Chief Executive Officer; and all of the members of the Board of Directors.

For the purposes of the present remuneration policy, and in accordance with the Afep-Medef Code, the term "Executive Officers" refers to the Chairman and CEO and to the Deputy CEOs. The Executive Officers and the directors are collectively referred to as the "corporate officers".

5.4.1.1.1 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 those that make up the variable component of executive remuneration within the Group.

Capital increases reserved for employees are carried out regularly under share ownership plans. Approximately 54,400 Group employees are shareholders in Bouygues.

In addition, every year over 600 senior executives and high-potential managers are awarded stock options.

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 the recommendation of the Selection and Remuneration Committee, seeks to ensure that the remuneration

5 CORPORATE GOVERNANCE

Remuneration of corporate officers of Bouygues SA (Executive Officers and directors)

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 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.

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.

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.

In accordance with the recommendations of the Afep-Medef Code, if an employee of a Group company is appointed as a corporate officer, his or her contract of employment with that company is suspended with immediate effect, and remains so for his or her entire term of office.

Role of the Selection and Remuneration Committee

The Selection and Remuneration Committee 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 those fees 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.

5.4.1.1.2 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.

5.4.1.1.3 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.

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 and CEO; a director; the chair or a member of the Audit Committee; and the chair or a member of one of the other committees (Selection and Remuneration; Ethics, CSR and Patronage).

5.4.1.1.4 Changes to the remuneration policy

The remuneration policy that applied within Bouygues SA during the 2019 financial year, and approved by the Annual General Meeting on 25 April 2019, has been changed to bring it into compliance with (i) the order and decree of 27 November 2019 on the remuneration of corporate officers of listed companies and (ii) the law of 22 May 2019 and the order of 3 July 2019 on top-up occupational pension schemes.

5

5.4.1.1.5 Application of the remuneration policy to newly appointed corporate officers

In principle, if a Chairman and CEO is appointed, then the principles, criteria and components of remuneration specified in the remuneration policy for the Chairman and CEO will apply.

If a Deputy CEO is appointed, then the principles, criteria and components of remuneration specified in the remuneration policy for Deputy CEOs will apply.

If a new director is appointed, then the principles, criteria and components of remuneration specified in the remuneration policy for directors will apply.

However, the specific situation of the appointee and the nature of his or her responsibilities may be taken into account.

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 2020.

5.4.1.2.1 Remuneration policy applicable to the Chairman and CEO in 2020

A. Term of office and employment contract of the Chairman and CEO

In accordance with Articles 13.7 and 17.1 of the articles of association, once the Chairman and/or CEO reaches the age of 65, the continuation of the term of office is subject to annual confirmation by the Board of Directors.

The term of office of Martin Bouygues as Chairman and CEO was renewed on 16 May 2019.

The Chairman and CEO may be removed from office at any time by the Board of Directors.

Martin Bouygues does not have a contract of employment with Bouygues SA 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 2020 financial year, the gross annual fixed remuneration of Martin Bouygues is still €920,000.

ANNUAL VARIABLE REMUNERATION

The Board of Directors and the Selection and Remuneration Committee seek to ensure that the variable remuneration of the Chairman and CEO 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.

The Board of Directors has decided that the criteria for annual variable remuneration will be set as follows:

- **Four quantifiable financial criteria** (already used as criteria for 2019 variable remuneration, and three of which refer to the three-year business plan)
 - Actual consolidated **current operating profit (COP)** of the Group for the year / Objective = COP per the 2020 plan (**P1**)
 - Actual **consolidated net profit attributable to the Group (CNP)** for the year / Objective = CNP per the 2020 plan (**P2**)
 - Actual **consolidated net profit attributable to the Group** for the year (excluding exceptional items) / Objective = actual CNP for the previous year (excluding exceptional items) (**P3**)
 - **Change in net debt (CND)** (excluding external growth not built into the plan) / Objective = CND per the 2020 plan (**P4**)
- **Extra-financial criteria (P5)**

Variable remuneration is also based on three extra-financial criteria: two linked to the Group's compliance and CSR performance, and one based on an overall assessment of the Executive Officer's managerial performance.

The three extra-financial criteria are weighted as follows:

- **Compliance** (commitment to developing compliance programmes and implementing the Sapin 2 law): weighted 10%;
- **Corporate social responsibility** (reducing the workplace accident rate versus 2019, and implementing a climate policy to achieve a reduction in greenhouse gas emissions compatible with the Paris Agreement across all business segments: weighted 10%);
- **Managerial performance**: weighted 10%.

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. 225-37-2 III, paragraph 2 of the Commercial Code.

METHOD USED TO DETERMINE ANNUAL VARIABLE REMUNERATION FOR 2020

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 defined above). (FR = Fixed Remuneration)

P1, P2, P3 AND P4

The effective weight of each criterion determining the payment of each of the three components P1, P2 and P4 is dependent on the performance achieved during the financial year relative to the business plan.

P3 is determined by reference to the performance for the previous financial year.

The four variable components P1, P2, P3 and P4 are calculated as follows:

- 1 If actual performance is more than 10% below the Objective, the component concerned (P1, P2, P3 or P4) = 0
- 2 If actual performance is between (Objective - 10%) and the Objective:

P1 = 0% to 30% of FR

P2 = 0% to 30% of FR

P3 = 0% to 30% of FR

P4 = 0% to 40% of FR

- 3 If actual performance is between the Objective and (Objective +20%):

P1 = 30% to 40% of FR

P2 = 30% to 40% of FR

P3 = 30% to 35% of FR

P4 = 40% to 55% of FR

Between these limits the effective weight of each component is determined by linear interpolation.

P5

The Board of Directors determines the effective weight of P5, subject to a cap of 30% 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 160% 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 Article L. 225-100 of the Commercial Code, payment of the variable remuneration due for 2020 is contingent on approval by the Annual General Meeting called in 2021 to approve the 2020 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 Chairman and CEO 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.

RELATIVE WEIGHT OF FIXED AND VARIABLE REMUNERATION

Fixed remuneration represents 38.5% of the total remuneration of Martin Bouygues.

Variable remuneration represents 61.5% of the total remuneration of Martin Bouygues.

LONG-TERM REMUNERATION

The Chairman and CEO is eligible for long-term remuneration. However, Martin Bouygues does not receive long-term variable remuneration given his personal circumstances, which already guarantee that his interests are aligned with those of the shareholders.

REMUNERATION FOR SERVING AS A DIRECTOR

The Chairman and CEO receives remuneration for serving as a director on the terms specified in section 5.4.1.2.3 above.

He also receives remuneration for serving as a director of TF1.

BENEFITS IN KIND

The Chairman and CEO has the use of a company car.

Bouygues also provides the Chairman and CEO, for his personal needs, with a part-time personal assistant and a chauffeur/security guard.

For information, those benefits in kind were valued at €31,180 for the 2019 financial year.

COLLECTIVE DEATH, DISABILITY AND HEALTH COVER

The Chairman and CEO is 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 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 and CEO, who joined the scheme before 4 July 2019, is eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code. Bouygues has brought its pension scheme into compliance with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of

3 July 2019. Consequently, the scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Provided that they end their career within the Bouygues group, senior executives who joined the scheme prior to 4 July 2019 retain their rights under that scheme, the terms of which are:

- 1.** Conditions for joining the scheme and other eligibility conditions whereby the beneficiary must:

- be a member of the Bouygues Management Committee on the date of voluntary or compulsory retirement;
- 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 a Group company (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 AGIRC-ARRCO mandatory supplementary schemes.

- 2.** Reference salary equal to the average gross salary for the three best calendar years received by the senior executive within the Bouygues group during his or her period of membership of the Bouygues Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC-ARRCO scheme on the date of cessation of office or of the termination of his or her contract of employment.

The reference gross salary applied consists of the annual fixed and variable remuneration used to calculate social security contributions in accordance with Article L. 242-1 of the Social Security Code.

- 3.** Frequency of vesting of rights: annual.
- 4.** Annual cap on vesting of pension rights: 0.92% of reference salary.
- 5.** Overall cap: eight times the annual social security ceiling (giving a cap of €324,192 in 2019).
- 6.** Funding is contracted out to an insurance company, to which an annual contribution is paid.
- 7.** Performance conditions:

- a) Executive Officer concerned

Martin Bouygues cannot acquire any further supplementary pension rights since the rights vested in him to date exceed the cap set by the Board of Directors (eight times the annual social security ceiling).

- b) The performance conditions for 2019 were:

2019 financial year: Objective = that the average of consolidated net profit attributable to the Group for the 2019 financial year and for the 2018 and 2017 financial years ("Average CNP") is no more than 10% below the average of the consolidated net profit figures specified in the plan for the 2019 financial year and in the plans for the 2018 and 2017 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 the reference salary;

- If average CNP is more than 10% below the Objective:

Annual pension rights = 0.

Between those lower and upper limits, the pension rights awarded would vary on a straight-line basis between 0% and 0.92% of the reference salary.

Due to the closure of the scheme and the freezing of scheme members' rights, no further rights can vest under this scheme on or after 1 January 2020. From that date onwards it is no longer necessary to set performance conditions for the scheme.

Vested-rights collective pension scheme governed by Article L. 137-11-2 of the Social Security Code (rights for periods of employment subsequent to 1 January 2020).

The Board of Directors has decided to introduce a new pension scheme in compliance with currently applicable legal requirements. The new scheme will enable Executive Officers 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 above. 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 Chairman and CEO is eligible for this new pension scheme.

However, in this specific case Martin Bouygues cannot acquire any further supplementary pension rights since the rights vested in him to date exceed the cap set by the Board of Directors (eight times the annual social security ceiling).

SEVERANCE BENEFIT ON LEAVING OFFICE

No severance benefit is payable to the Chairman and CEO on leaving office.

NON-COMPETITION INDEMNITY

The Chairman and CEO is not entitled to any non-competition indemnity.

5.4.1.2.2 Remuneration policy applicable to the Deputy CEOs in 2020

A. Terms of office and employment contracts of the Deputy CEOs

Deputy CEOs are appointed for a renewable three-year term of office. Deputy CEOs may be removed from office at any time by the Board of Directors, acting on a proposal from the CEO.

Olivier Bouygues was appointed as a Deputy CEO with effect from 25 April 2002. In accordance with Article 17.2 of the articles of association, once a Deputy CEO reaches the age of 65, the continuation of his term of office is subject to annual confirmation by the Board of Directors.

The Board meeting of 28 August 2019 renewed the term of office of Olivier Bouygues as a Deputy CEO for a further one-year period.

Philippe Marien was appointed as a Deputy CEO with effect from 30 August 2016. His term of office ended on 19 February 2020.

Olivier Roussat was appointed as a Deputy CEO with effect from 30 August 2016. His term of office was renewed on 28 August 2019, and will therefore end on 30 August 2022.

Philippe Marien signed a permanent employment contract with Bouygues on 1 August 2007. That employment contract was suspended when he was appointed as a Deputy CEO on 30 August 2016.

Olivier Roussat signed a permanent employment contract with Bouygues on 1 April 2007. That employment contract was suspended when he was appointed as a Deputy CEO on 30 August 2016.

Those employment contracts may be terminated in accordance with the relevant provisions of French employment law (voluntary or compulsory retirement, resignation, agreed termination, dismissal, or any other equivalent measure), subject to the notice periods and severance payment terms governed by the Labour Code and the collective agreement applied by Bouygues SA.

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.

Given that the fixed remuneration of a Deputy CEO has not changed since 2003 while the duties of Olivier Roussat have been extended (due especially to Philippe Marien leaving office), the Board of Directors – acting on a recommendation from the Selection and Remuneration Committee – has decided to align Olivier Roussat's gross annual fixed remuneration on market practice by raising it to €1,250,000.

The fixed remuneration of Philippe Marien and Olivier Bouygues is unchanged.

Consequently, gross annual fixed remuneration for 2020 is:

- €1,250,000 for Olivier Roussat;
- €920,000 for Philippe Marien;
- €500,000 for Olivier Bouygues.

ANNUAL VARIABLE REMUNERATION

The Board of Directors and the Selection and Remuneration Committee seek to ensure that the variable remuneration of the Deputy CEOs is consistent with the company's performance objectives, so that it is aligned with the corporate interest and on its commercial strategy.

The criteria for awarding annual variable remuneration are the same as those described above for the Chairman and CEO (section 5.4.1.2.1 B – Annual variable remuneration).

METHOD USED TO DETERMINE ANNUAL VARIABLE REMUNERATION FOR 2020

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 2020).

CAP

The sum of the five components P1, P2, P3, P4 and P5 may never exceed a cap of 160% 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 Article L. 225-100 of the Commercial Code, payment of the variable remuneration due for 2020 is contingent on approval by the Annual General Meeting called in 2021 to approve the 2020 financial statements. It is paid after payment has been approved by the Annual General Meeting.

There is no other contingent deferral period.

RELATIVE WEIGHT OF FIXED AND VARIABLE REMUNERATION

Fixed remuneration represents 38.5% of the total remuneration of Olivier Bouygues.

Variable remuneration represents 61.5% of the total remuneration of Olivier Bouygues.

Fixed remuneration represents 38.5% of the total fixed + variable remuneration of Olivier Roussat.

Variable remuneration represents 61.5% of the total fixed + variable remuneration of Olivier Roussat.

A maximum of 40,000 shares have been awarded to Olivier Roussat as long-term remuneration, with the caveat that this award may not exceed a cap of 100% of his fixed plus variable remuneration.

Fixed remuneration represents 38.5% of the total remuneration of Philippe Marien.

Variable remuneration represents 61.5% of the total remuneration of Philippe Marien.

CESSATION OF OFFICE

If a Deputy CEO 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

All Executive Officers may be awarded long-term remuneration.

Because Philippe Marien has resigned from office as a Deputy CEO, he will not receive any contingent award of shares in 2020.

Olivier Bouygues is not entitled to long-term remuneration, since his personal circumstances mean that his interests are already aligned with those of the shareholders.

Olivier Roussat is entitled to long-term remuneration in the form of a contingent award of existing Bouygues shares; 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 40,000 Bouygues shares to each beneficiary at the end of a three-year period (2020, 2021 and 2022). The award is contingent upon the fulfilment of performance conditions at the end of that three-year period.

PERFORMANCE CONDITIONS

A1 = Average of actual consolidated current operating profit (COP) of the Group for the three financial years covered by the Group's annual business plans (2020, 2021 and 2022) / Average of the 3 COP figures set as objectives in the annual business plans.

A2 = Average of actual consolidated net profit attributable to the Group (CNP) for the three financial years covered by the Group's annual business plans (2020, 2021 and 2022) / Average of the 3 CNP figures set as objectives in the annual business plans.

A3 = Stock market performance of Bouygues shares, including reinvestment of the dividend at the opening market price on the dividend ex-date (TSR^a) / CAC 40 performance over the three-year period.

The number of shares awarded in 2023 (capped at 40,000 shares) would be determined as follows:

- **A1: Objective** = average of the current operating profit (COP) figures for the 2020, 2021 and 2022 financial years set as objectives in the annual business plans.

- If the Objective is attained, A1 = 0 shares.
- If the average of the 3 COP figures is at least 20% above the Objective, A1 = 37.5% of the total number of shares potentially awardable in 2023 (i.e. 15,000 shares in 2023).

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 2023).

- **A2: Objective** = average of the consolidated net profit attributable to the Group for the 2020, 2021 and 2022 financial years set as objectives in the annual business plans.

- If the Objective is attained, A2 = 0 shares.
- If the average of the 3 CNP figures is at least 20% above the Objective, A2 = 37.5% of the total number of shares potentially awardable in 2023 (i.e. 15,000 shares in 2023).

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).

- **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 stock market performance of Bouygues shares 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 2023 (i.e. 10,000 shares in 2023).

In calculating the TSR of the CAC 40, the starting point would be the average of the 40 opening quoted market prices preceding (but not including) 1 January 2020, and the end point would be the average of the 40 opening quoted market prices preceding (but not including) 1 January 2023.

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 2023).

Because this package falls outside the scope of Articles L. 225-177 et seq. and L. 225-197-1 et seq. of the Commercial Code, any shares awarded would at the time of the award become liable for social security charges and income tax on the same basis as salaries. It is therefore 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 an Ordinary General Meeting on the terms specified in Article L. 225-100 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.

CONTINUING EMPLOYMENT CONDITION

The beneficiary would have to be serving as a Deputy CEO of Bouygues on 31 December 2022.

a Total Shareholder Return.

If that condition is no longer met, the beneficiary's entitlement to long-term remuneration is 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.

LOCK-UP AND HEDGING

In addition, acting in line with the recommendations of the Afep-Medef Code, at its meeting of 20 February 2019, the Board 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 60% of the shares actually delivered to him for that purpose.

The value of the shares delivered and the cash sums paid under this long-term remuneration package cannot exceed a limit of 100% of the cap set for the beneficiary's fixed and variable remuneration. In determining whether that limit 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.

REMUNERATION FOR SERVING AS A DIRECTOR

Olivier Bouygues receives remuneration for serving as a director on the terms described in section 5.4.1.2.2 above.

In addition, the Deputy CEOs receive remuneration for serving as directors in other Group companies.

BENEFITS IN KIND

The Deputy CEOs have the use of a company car.

Bouygues also provides Olivier Bouygues, for his personal needs, with a part-time personal assistant and a chauffeur/security guard.

A chauffeur is made available to Philippe Marien and Olivier Roussat for business purposes.

For information, those benefits in kind for the 2019 financial year were valued at €10,756 for Olivier Bouygues; €3,660 for Philippe Marien; and €20,457 for Olivier Roussat (including unemployment insurance cover for the latter).

COLLECTIVE DEATH, DISABILITY AND HEALTH COVER

The Deputy CEOs are 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 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 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, as described above (section 5.4.1.2.1 B – Supplementary pension scheme).

The Deputy CEOs can no longer accrue rights under this scheme because it was closed to new members on 4 July 2019 and the rights of existing members were frozen as of 31 December 2019, in line with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of 3 July 2019.

Due to the closure of the scheme and the freezing of scheme members' rights, no further rights can vest under this scheme on or after 1 January 2020.

For information, the performance conditions for 2019 were:

2019 financial year: Objective = that the average of consolidated net profit attributable to the Group for the 2019 financial year and for the 2018 and 2017 financial years ("Average CNP") is no more than 10% below the average of the consolidated net profit figures specified in the plan for the 2019 financial year and in the plans for the 2018 and 2017 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 the reference salary;
- if average CNP is more than 10% below the Objective:
annual pension rights = 0.

Between those lower and upper limits, the pension rights awarded would vary on a straight-line basis between 0% and 0.92% of the reference salary.

Vested-rights collective pension scheme governed by Article L. 137-11-2 of the Social Security Code (rights for periods of employment subsequent to 1 January 2020).

The Board of Directors has decided to institute a new pension scheme that complies with currently applicable legislation. The new scheme will enable Executive Officers 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 above. 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 CEOs are eligible for this new pension scheme.

Olivier Bouygues cannot acquire any further supplementary pension rights since the rights vested in him to date exceed the cap set by the Board of Directors (eight times the annual social security ceiling).

However, Olivier Roussat and Philippe Marien may acquire pension rights subject to attainment of the performance conditions.

SEVERANCE BENEFIT ON LEAVING OFFICE

The Deputy CEOs are not entitled to any severance benefit on leaving office.

However, in the event that their employment contracts (currently suspended) are terminated, they would be entitled to a severance benefit on the terms specified in the Labour Code and the collective agreement applied by Bouygues SA.

NON-COMPETITION INDEMNITY

The Deputy CEOs are not entitled to any non-competition indemnity.

FINANCIAL TERMS FOR THE CESSATION OF OFFICE OF PHILIPPE MARIEN

Philippe Marien resigned from office as a Deputy CEO on 19 February 2020. As from date, Philippe Marien's employment contract, which had been suspended in August 2016, came back into effect.

Fixed remuneration in respect of 2020

Philippe Marien's fixed remuneration will be paid to him until the date he ceases to hold office.

Annual variable remuneration due in respect of 2020

Philippe Marien has informed the Board of Directors that he will not take any annual variable remuneration in respect of 2020.

Long-term remuneration awarded in 2019

Philippe Marien has informed the Board of Directors that he will not take any contingent award of shares in respect of the 2019-2020 and 2019-2021 periods, proportionate to the period during which he held office as a Deputy CEO.

However, he retains his entitlement to the contingent award of shares made in respect of the 2019 financial year. The number of shares thereby awarded is indicated in section 5.4.2 below.

Philippe Marien will not receive any contingent award of shares in respect of the 2020-2022 period.

Top-up pension under the supplementary pension scheme

Philippe Marien is a beneficiary of the defined-benefit supplementary pension scheme (within the meaning of Article L. 137-11 of the Social Security Code), as described in detail above.

Provided that he fulfils all the eligibility criteria for full pension benefits and complies with the terms of the supplementary pension scheme, Philippe Marien will receive a top-up pension based on the contingent rights vested in him.

In addition, due to the termination of his employment contract (excluding any activities relating to his office as a Deputy CEO), the standard

provisions of the collective agreement applied by Bouygues SA will apply to Philippe Marien on his retirement.

The components of remuneration are determined in line with the principles and criteria for remuneration approved by the shareholders in the eleventh resolution of the Annual General Meeting of 25 April 2019.

5.4.1.2.3 Remuneration policy applicable to directors in 2020

A. Terms of office and employment contracts of directors

Directors hold office for a term of three years except for the director representing employees, who holds 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 2019.

Directors may be removed from office at any time by a general meeting of the 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.

The employment contracts that certain directors have may be terminated in accordance with the relevant provisions of French employment law (resignation, agreed termination or dismissal), subject to the notice periods and severance payment terms governed by the Labour Code and collective agreements.

B. Remuneration

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 (i) a fixed portion of 30% and (ii) a variable portion of 70% calculated on the basis of attendance, 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 Board of Directors changed the amount of remuneration in 2019 and 2020 to bring it into line with the amounts paid by comparable companies.

Directors' remuneration amounts to:

• Chairman and CEO	€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.

Under their employment contracts, the directors representing employees and directors representing employee shareholders receive a salary that has no link with their office as directors.

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.

5.4.2 Remuneration of corporate officers in 2019

Information required under Articles L. 225-37-3 and L. 225-100 paragraph III of the Commercial Code, and reiterating the principles and criteria approved by the eleventh resolution of the Annual General Meeting of 25 April 2019.

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.

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 as approved under 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 was approved by the Annual General Meeting of 25 April 2019 (fourth resolution) under the regulated agreements procedure.

5.4.2.1 Total annual remuneration of the Chairman and CEO in respect of the 2019 financial year

A. Total remuneration and benefits of all kinds

a. Components of remuneration

FIXED REMUNERATION

For the 2019 financial year, Martin Bouygues received gross annual fixed remuneration of €920,000. The amount of his fixed remuneration has remained unchanged since 2003.

VARIABLE REMUNERATION

The principles and criteria for 2019 annual variable remuneration were determined by the Board of Directors on 20 February 2019 and approved by the Annual General Meeting of 25 April 2019 (eleventh resolution). The Board meeting of 19 February 2020 evaluated the 2019 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 five variable portions calculated on this basis cannot under any circumstances exceed the overall cap, set in 2019, of 160% 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 FIVE CRITERIA FOR DETERMINING GROSS ANNUAL VARIABLE REMUNERATION IN 2019

The gross annual variable remuneration of Martin Bouygues for 2019 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 2019 plan
 - **P2 – Actual consolidated net profit attributable to the Group (CNP)** for the year / Objective = CNP per the 2019 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 2019 plan

Those objectives are 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 cap of 10%.

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.

Martin Bouygues received gross annual variable remuneration of €1,472,000.

Summary table: gross annual variable remuneration of Martin Bouygues for 2019

	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 2019 performance as % of FR
Financial criteria			
P1	30%	40%	30%
P2	30%	40%	40%
P3	30%	35%	18%
P4	40%	55%	55%
Extra-financial criteria			
P5	30%	30%	27%
	Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap	160%	160%	160%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Martin Bouygues did not receive any exceptional remuneration in respect of the 2019 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 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.

Supplementary pension scheme

The Chairman and CEO, who joined the scheme before 4 July 2019, is eligible for the defined-benefit supplementary pension scheme governed by Article L. 137-11 of the Social Security Code. Bouygues has brought its pension scheme into compliance with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of 3 July 2019. Consequently, the scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

Performance conditions for the supplementary pension in 2019

Under Article 229 of the law of 6 August 2015, vesting of the pension rights of Executive Officers of listed companies in respect of a given financial year must be subject to performance conditions.

Martin Bouygues cannot acquire any supplementary pension rights in 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).

5 CORPORATE GOVERNANCE

Remuneration of corporate officers of Bouygues SA (Executive Officers and directors)

The table below summarises the method used to determine pension rights for 2019:

Supplementary pension

Annual cap on vesting of pension rights = 0.92% of the 2019 reference salary (Fixed + Annual Variable)

Performance conditions

Objective = plan average - 10%
(average of CNP figures per the 2019, 2018 and 2017 plans)

If the average of actual CNP figures for 2019, 2018 and 2017 is more than 10% below the Objective
Pension rights = 0

If the average of actual CNP figures for 2019, 2018 and 2017 is ≥ the Objective
Pension rights = 0.92%



Overall cap on pension rights = eight times social security ceiling (giving a cap of €324,192 in 2019).

Note: Annual pension rights for 2019 are contingent on CNP performances for 2019, 2018 and 2017.

Information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 of the Commercial Code.

The characteristics of the supplementary pension scheme awarded to the Group's senior executives 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:
 - be a member of the Bouygues Management Committee on the date of voluntary or compulsory retirement;
 - 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.

6. Annual cap on vesting of pension rights: 0.92% of reference salary.

7. Overall cap (amount and calculation method): eight times the annual social security ceiling, giving a cap of €324,192 in 2019.

8. Funding arrangements for the benefit: outsourced to an insurance company, to which a contribution is paid each year.

9. Estimated amount of annual annuity as of 31 December 2019: €320,184.

Note: The annual annuity of Martin Bouygues would amount to eight times the annual social security ceiling once the contributions paid into the scheme by SCDM, calculated on a pro rata basis for the time he spends on SCDM business each year, are taken into account.

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.

Other forms of remuneration

Martin Bouygues received benefits in kind consisting of the use of a company car and the part-time assignment of a personal assistant and a chauffeur/security guard for his personal needs.

Those benefits amounted to €31,180 based on the valuation method used.

Remuneration for serving as a director

Martin Bouygues received annual remuneration of €93,900 for serving as a director, of which €23,900 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.

Martin Bouygues received no other remuneration paid by entities included in the scope of consolidation.

c. Relative weight of components of remuneration

Variable remuneration represented 160% of fixed remuneration for 2019.

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 disclosure requirements, Bouygues applied the provisions of Order No. 2019-1234 of 27 November 2019, 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.

Martin Bouygues	2015	2016	2017	2018	2019
Ratio to average remuneration	57	24	55	59	57
Ratio to median remuneration	71	29	68	73	70

- 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 business, which account for the majority of the workforce, include a high proportion of site workers and of clerical, technical and supervisory staff.

Trends in the remuneration of the Chairman and CEO, the average remuneration of Bouygues SA employees, and company performances over the last five years

Year-on-year change	2015/2014	2016/2015	2017/2016	2018/2017	2019/2018
Annual remuneration	137%	-58%	137%	11%	-1%
Company performance (net profit)	-50%	82%	48%	21%	-10%
Average employee remuneration	0%	3%	2%	3%	3%
Executive pay ratio	138%	-58%	129%	7%	-3%

Explanation:

- 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.

C. Compliance with the most recent shareholder vote

Not relevant because the requirement for this vote was created by the Order of 27 November 2019, and hence did not apply at the time of the last Annual General Meeting.

D. 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 25 April 2019 (seventh resolution, approved with 83.68% 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.

The remuneration paid contributes to the company's long-term performance insofar as:

- the variable portion represents the majority of total remuneration;
- 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.

E. 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 specified in paragraph 1 of Article L. 225-45 of that Code has not been suspended.

5.4.2.2 Total annual remuneration of the Deputy CEO – Olivier Bouygues

A. Total remuneration and benefits of all kinds

a. Components of remuneration

FIXED REMUNERATION

For the 2019 financial year, Olivier Bouygues received gross annual fixed remuneration of €500,000.

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 received gross annual variable remuneration of €800,000.

Summary table: gross annual variable remuneration of Olivier Bouygues for 2019

	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 2019 performance as % of FR
Financial criteria			
P1	COP for the year per the 2019 plan	30%	40%
P2	CNP for the year per the 2019 plan	30%	40%
P3	CNP for the previous year (2018 CNP)	30%	35%
P4	Change in net debt per the 2019 plan	40%	55%
Extra-financial criteria			
P5	CSR – Compliance – Managerial assessment	30%	30%
	Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap	160%	160%	160%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Olivier Bouygues did not receive any exceptional remuneration in respect of the 2019 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 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.

Supplementary pension scheme

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. Bouygues has brought its pension scheme into compliance with the requirements of law No. 2019-486 of 22 May 2019 (the Pacte law) and of Order No. 2019-697 of 3 July 2019. Consequently, the scheme was closed to new members from 4 July 2019 onwards, and the rights of existing members were frozen as of 31 December 2019.

PERFORMANCE CONDITIONS FOR THE SUPPLEMENTARY PENSION IN 2019

Under Article 229 of the law of 6 August 2015, vesting of the pension rights of Executive Officers of listed companies in respect of a given financial year must be subject to performance conditions.

Olivier Bouygues could not acquire any supplementary pension rights in 2019 since the rights vested in him to date had reached the cap set by the Board of Directors (eight times the annual social security ceiling).

The method used to calculate pension rights for 2019, and the information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 of the Commercial Code, are identical to those described for the Chairman and CEO (see section 5.4.2.1.A.a – Components of remuneration – Supplementary pension).

The estimated amount of the annual annuity as of 31 December 2019 is: €256,464

Note: The annual annuity of Olivier Bouygues would amount to eight times the annual social security ceiling once the contributions paid into the scheme by SCDM, calculated on a pro rata basis for the time he spends on SCDM business each year, are taken into account.

OTHER FORMS OF REMUNERATION

Olivier Bouygues received benefits in kind consisting of the use of a company car and the part-time assignment of a personal assistant and a chauffeur/security guard for his personal needs.

Those benefits amounted to €10,756 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Olivier Bouygues received annual remuneration of €89,144 for serving as a director, of which €49,144 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 160% of fixed remuneration for 2019.

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 disclosure requirements, Bouygues applied the provisions of Order No. 2019-1234 of 27 November 2019, 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.

Olivier Bouygues	2015	2016	2017	2018	2019
Ratio to average remuneration	23	13	31	33	32
Ratio to median remuneration	29	17	38	41	39

- 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 business, which account for the majority of the workforce, include a high proportion of site workers and of clerical, technical and supervisory staff.

Trends in the remuneration of the Deputy CEO, the average remuneration of Bouygues SA employees, and company performances over the last five years

Year-on-year change	2015/2014	2016/2015	2017/2016	2018/2017	2019/2018
Annual remuneration	70%	-41%	130%	11%	-1%
Company performance (net profit)	-50%	82%	48%	21%	-10%
Average employee remuneration	0%	3%	2%	3%	3%
Executive pay ratio	64%	-43%	138%	6%	-3%

Explanation:

- 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.

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C. Compliance with the most recent shareholder vote

Not relevant because the requirement for this vote was created by the Order of 27 November 2019, and hence did not apply at the time of the last Annual General Meeting.

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 variable portion represents the majority of total remuneration;
- 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.

D. 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 25 April 2019 (eighth resolution, approved with 83.93% of the votes cast).

The company has not deviated from the procedure for implementing the remuneration policy.

E. 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 specified in paragraph 1 of Article L. 225-45 of that Code has not been suspended.

5.4.2.3 Total annual remuneration of the Deputy CEO – Olivier Roussat

A. Total remuneration and benefits of all kinds

a. Components of remuneration

FIXED REMUNERATION

For the 2019 financial year, Olivier Roussat received gross annual fixed remuneration of €920,000.

Summary table: gross annual variable remuneration of Olivier Roussat for 2019

	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 2019 performance as % of FR
Financial criteria			
P1 COP for the year per the 2019 plan	30%	40%	30%
P2 CNP for the year per the 2019 plan	30%	40%	40%
P3 CNP for the previous year (2018 CNP)	30%	35%	18%
P4 Change in net debt per the 2019 plan	40%	55%	55%
Extra-financial criteria			
P5 CSR - Compliance - Managerial assessment	30%	30%	27%
	Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap	160%	160%	160%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Olivier Roussat did not receive any exceptional remuneration in respect of the 2019 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 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 €588,632 on the date of the award.

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 received gross annual variable remuneration of €1,472,000.

The company did not seek any clawback of variable remuneration.

Summary table: gross annual variable remuneration of Olivier Roussat for 2019

	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 2019 performance as % of FR
Financial criteria			
P1 COP for the year per the 2019 plan	30%	40%	30%
P2 CNP for the year per the 2019 plan	30%	40%	40%
P3 CNP for the previous year (2018 CNP)	30%	35%	18%
P4 Change in net debt per the 2019 plan	40%	55%	55%
Extra-financial criteria			
P5 CSR - Compliance - Managerial assessment	30%	30%	27%
	Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap	160%	160%	160%

The number of shares awarded in 2019 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).

- A3: Objective** = stock market performance of Bouygues shares, including reinvestment of the dividend at the opening market price on the dividend ex-date (TSR^a) = 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 2019 contingent shares plan

37.5% Average COP	37.5% Average CNP	25% Bouygues TSR/ CAC 40 TSR
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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 13,333 shares subject to performance conditions relating to the 2019 financial year, with a total value of €270,216 at the date of the award.

As regards that award, the Board meeting of 19 February 2020 formally noted that:

- criterion A1 had not been met, so no award would be made for that criterion;
- criterion 2 performance was above the upper limit, so 5,000 shares would be awarded for that criterion (half of them in the form of a cash payment);
- criterion A3 had not been met, so no award would be made for that criterion.

Consequently, after an assessment of the performance criteria, 5,000 shares were awarded to Olivier Roussat 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) will be subject to approval at the Annual General Meeting of 23 April 2020.

- 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.

OTHER COMPONENTS OF REMUNERATION

Social protection

Olivier Roussat benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Olivier Roussat also received a benefit in the form of unemployment insurance, the amount of the employer's contribution being €12,765.

Supplementary pension scheme

Under Article 229 of the law of 6 August 2015, vesting of the pension rights of Executive Officers of listed companies in respect of a given financial year must be subject to performance conditions.

Olivier Roussat benefited from the supplementary pension scheme in place within the Bouygues group, in accordance with (i) the method used to calculate pension rights for 2019 and (ii) the information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 of the Commercial Code described for the Chairman and CEO (see section 5.4.2.1.A.a - Components of remuneration - Supplementary pension scheme).

The relevant performance levels were achieved by Olivier Roussat in 2019. Consequently, his pension rights would be 0.92% of his reference salary.

The estimated amount of the annual annuity as of 31 December 2019 is: €272,031.

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 €48,363 for serving as a director with Group companies.

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 received no other remuneration paid by entities included in the scope of consolidation.

c. Relative weight of components of remuneration

Variable remuneration represented 160% of fixed remuneration for 2019.

a Total Shareholder Return.

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 disclosure requirements, Bouygues applied the provisions of Order No. 2019-1234 of 27 November 2019, 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.

Olivier Roussat	2015	2016	2017	2018	2019
Ratio to average remuneration	N/A	26	47	58	56
Ratio to median remuneration	N/A	32	58	72	68

- 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 business, 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.

Trends in the remuneration of the Deputy CEO, the average remuneration of Bouygues SA employees, and company performances over the last five years

Year-on-year change	2015/2014	2016/2015	2017/2016	2018/2017	2019/2018
Annual remuneration	N/A	N/A	83%	29%	-1%
Company performance (net profit)	N/A	N/A	48%	21%	-10%
Average employee remuneration	N/A	N/A	2%	3%	3%
Executive pay ratio	N/A	N/A	81%	23%	-3%

N/A: not applicable.

Explanation:

- 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: Olivier Roussat having been appointed as a Deputy CEO in August 2016, his remuneration in respect of 2016 has been annualised at 100% over the full year. No variable remuneration was paid in respect of his term of office.
- 2017/2016: Olivier Roussat was paid the maximum annual variable remuneration in 2017 in respect of 2016.
- 2019/2018: 2019 net profit attributable to the Group was down due to a lower level of non-current income, mainly at Bouygues Telecom.

C. Compliance with the most recent shareholder vote

Not relevant because the requirement for this vote was created by the Order of 27 November 2019, and hence did not apply at the time of the last Annual General Meeting.

The company has not deviated from the procedure for implementing the remuneration policy.

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 variable portion represents the majority of total remuneration;
- 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.

D. 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 25 April 2019 (tenth resolution, approved with 83.67% of the votes cast).

E. 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 specified in paragraph 1 of Article L. 225-45 of that Code has not been suspended.

5.4.2.4 Total annual remuneration of the Deputy CEO – Philippe Marien

A. Total remuneration and benefits of all kinds

a. Components of remuneration

FIXED REMUNERATION

For the 2019 financial year, Philippe Marien received gross annual fixed remuneration of €920,000.

VARIABLE REMUNERATION

The principles and criteria applied in determining the annual variable remuneration of Philippe Marien are identical to those applied to the Chairman and CEO (see section 5.4.2.1.A.a – Components of remuneration – Variable remuneration).

Philippe Marien received gross annual variable remuneration of €1,472,000.

Summary table: gross annual variable remuneration of Philippe Marien for 2019

		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 2019 performance as % of FR
Financial criteria				
P1	COP for the year per the 2019 plan	30%	40%	30%
P2	CNP for the year per the 2019 plan	30%	40%	40%
P3	CNP for the previous year (2018 CNP)	30%	35%	18%
P4	Change in net debt per the 2019 plan	40%	55%	55%
Extra-financial criteria				
P5	CSR – Compliance – Managerial assessment	30%	30%	27%
		Total = 160% of FR	Total = 200% of FR Reduced to 160%	Total = 170% of FR
Cap		160%	160%	160%

FR: Fixed Remuneration.

EXCEPTIONAL REMUNERATION

Philippe Marien did not receive any exceptional remuneration in respect of the 2019 financial year.

LONG-TERM REMUNERATION

The Annual General Meeting of 25 April 2019 approved, as part of the 2019 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.

Philippe Marien 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 €588,632 on the date of the award.

The number of shares awarded in 2019 (capped at 40,000 shares) 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.

a Total Shareholder Return.

- 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).

- **A3: Objective** = stock market performance of Bouygues shares, including reinvestment of the dividend at the opening market price on the dividend ex-date (TSR^a) = CAC 40 performance over the plan period.

- If the Objective is attained, A3 = 0 shares.

5 CORPORATE GOVERNANCE

Remuneration of corporate officers of Bouygues SA (Executive Officers and directors)

- 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).

In 2019, Bouygues ended the multi-year variable remuneration package to which Philippe Marien 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 13,333 shares subject to performance conditions relating to the 2019 financial year, with a total value of €270,216 at the date of the award.

As regards that award, the Board meeting of 19 February 2020 formally noted that:

- criterion A1 had not been met, so no award would be made for that criterion;
- criterion 2 performance was above the upper limit, so 5,000 shares would be awarded for that criterion (half of them in the form of a cash payment);
- criterion A3 had not been met, so no award would be made for that criterion.

Consequently, after an assessment of the performance criteria, 5,000 shares were awarded to 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) will be subject to approval at the Annual General Meeting of 23 April 2020.

- 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.

OTHER COMPONENTS OF REMUNERATION

Social protection

Philippe Marien benefited under the collective death, disability and health cover policies applied within Bouygues SA.

Supplementary pension scheme

Under Article 229 of the law of 6 August 2015, vesting of the pension rights of Executive Officers of listed companies in respect of a given financial year must be subject to performance conditions.

Philippe Marien benefited from the supplementary pension scheme in place within the Bouygues group, in accordance with (i) the method used to calculate pension rights for 2019 and (ii) the information provided by the company on pension commitments or other lifetime benefits pursuant to Articles L. 225-37-3 (paragraph 3) and D. 225-29-3 of the Commercial Code described for the Chairman and CEO (see section 5.4.2.1.A.a - Components of remuneration – Supplementary pension scheme).

The relevant performance levels were achieved by Philippe Marien in 2019. Consequently, his pension rights would be 0.92% of his reference salary.

The estimated amount of the annual annuity as of 31 December 2019 is: €249,400

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 €3,660 based on the valuation method used.

REMUNERATION FOR SERVING AS A DIRECTOR

Philippe Marien received annual remuneration of €77,739 for serving as a director with Group companies.

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.

c. Relative weight of components of remuneration

Variable remuneration represented 160% of fixed remuneration for 2019.

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 disclosure requirements, Bouygues applied the provisions of Order No. 2019-1234 of 27 November 2019, 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.

Philippe Marien	2015	2016	2017	2018	2019
Ratio to average remuneration	N/A	25	50	59	56
Ratio to median remuneration	N/A	31	61	73	68

- 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 business, 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.

Trends in the remuneration of the Deputy CEO, the average remuneration of Bouygues SA employees, and company performances over the last five years

Year-on-year change	2015/2014	2016/2015	2017/2016	2018/2017	2019/2018
Annual remuneration	N/A	N/A	161%	22%	-2%
Company performance (net profit)	N/A	N/A	48%	21%	-10%
Average employee remuneration	N/A	N/A	2%	3%	3%
Executive pay ratio	N/A	N/A	100%	18%	-3%

N/A: not applicable.

Explanation:

- 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: Philippe Marien having been appointed as a Deputy CEO in August 2016, his remuneration in respect of 2016 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.

C. Compliance with the most recent shareholder vote

Not relevant because the requirement for this vote was created by the Order of 27 November 2019, and hence did not apply at the time of the last Annual General Meeting

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 variable portion represents the majority of total remuneration;
- 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.

D. 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 25 April 2019 (ninth resolution, approved with 83.09% of the votes cast).

The company has not deviated from the procedure for implementing the remuneration policy.

E. 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 specified in paragraph 1 of Article L. 225-45 of that Code has not been suspended.

5.4.2.5 Total annual remuneration of directors

A. Total remuneration and benefits of all kinds

a. Components of remuneration

The remuneration paid to directors in respect of the 2019 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.

Charlotte Bouygues	Director	Remuneration paid by a subsidiary	€16,708
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 2019 financial year.

B. Compliance with the most recent ex post shareholder vote

Not relevant because the requirement for this vote was created by the Order of 27 November 2019, and hence did not apply at the time of the last Annual General Meeting.

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.

No such remuneration is paid to directors representing employees or directors representing employee shareholders.

The other directors who receive remuneration from an entity included in the scope of consolidation are listed below:

C. Compliance with remuneration policy

Not relevant because no remuneration policy for directors was required prior to the Order of 27 November 2019.

D. 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 specified in paragraph 1 of Article L. 225-45 of that Code has not been suspended.

5.4.2.6 Components of remuneration paid or awarded in respect of 2019 and submitted to a vote at the Annual General Meeting of 23 April 2020 pursuant to Article L. 225-100 III of the Commercial Code

Components of the remuneration of Martin Bouygues, Chairman and CEO, paid or awarded in respect of the 2019 financial year and submitted to the Annual General Meeting of 23 April 2020 for approval (Resolution 8)

	Amount/Accounting value €	Comments
Fixed remuneration	920,000	Martin Bouygues' fixed remuneration has not changed since 2003.
Annual variable remuneration	1,472,000	The target annual variable remuneration of Martin Bouygues represents 160% of his fixed remuneration, the level at which it is capped. For 2019, his annual variable remuneration is based on four financial criteria and three extra-financial criteria. Those 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 23 April 2020.
		Amount of 2018 annual variable remuneration paid during 2019: €1,472,000. This remuneration was approved at the Annual General Meeting of 25 April 2019 (seventh resolution).
Multi-year variable remuneration	N/A	No multi-year variable remuneration was awarded in 2019. Amount of 2018 multi-year variable remuneration paid during 2019: €147,200. This remuneration was approved at the Annual General Meeting of 25 April 2019 (seventh resolution).
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	93,900 • o/w paid by Bouygues: 70,000 • o/w paid by subsidiaries: 23,900	
Valuation of benefits in kind	31,180	Company car. Part-time assignment of personal assistant and chauffeur/security guard for personal needs.

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.
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 €324,192 for 2019). 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 2019, taking into account his length of service, Martin Bouygues would have been entitled to an annual pension of €320,184 (although the €324,192 cap would have been reached because Martin Bouygues has also acquired pension rights through the office he holds at SCDM). In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

N/A: not applicable.

Components of the remuneration of Olivier Bouygues, Deputy CEO, paid or awarded in respect of the 2019 financial year and submitted to the Annual General Meeting of 23 April 2020 for approval (Resolution 9)

	Amount/Accounting value €	Comments
Fixed remuneration	500,000	Olivier Bouygues' fixed remuneration has not changed since 2009.
Annual variable remuneration	800,000	The target annual variable remuneration of Olivier Bouygues represents 160% of his fixed remuneration, the level at which it is capped. For 2019, his annual variable remuneration is based on four financial criteria and three extra-financial criteria. Those 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 23 April 2020.
		Amount of 2018 annual variable remuneration paid during 2019: €800,000. This remuneration was approved at the Annual General Meeting of 25 April 2019 (eighth resolution).
Multi-year variable remuneration	N/A	No multi-year variable remuneration was awarded in 2019. Amount of 2018 multi-year variable remuneration paid during 2019: €80,000. This remuneration was approved at the Annual General Meeting of 25 April 2019 (eighth resolution).
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	89,144 • o/w paid by Bouygues: 40,000 • o/w paid by subsidiaries: 49,144	
Valuation of benefits in kind	10,756	Company car. Part-time assignment of personal assistant and chauffeur/security guard for personal needs.
N/A: not applicable		

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.
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 €324,192 for 2019). 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. If he had retired in 2019, taking into account his length of service, Olivier Bouygues would have been entitled to an annual pension of €256,464 (although the €324,192 cap would have been reached because Olivier Bouygues has also acquired pension rights through the office he holds at SCDM). In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.
N/A: not applicable.		

Components of the remuneration of Olivier Roussat, Deputy CEO, paid or awarded in respect of the 2019 financial year and submitted to the Annual General Meeting of 23 April 2020 for approval (Resolution 11)

	Amount/Accounting value €	Comments
Fixed remuneration	920,000	
Variable remuneration	1,472,000	The target annual variable remuneration of Olivier Roussat represents 160% of his fixed remuneration, the level at which it is capped. For 2019, his annual variable remuneration is based on four financial criteria and three extra-financial criteria. Those 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 23 April 2020.
		Amount of 2018 annual variable remuneration paid during 2019: €883,200. This remuneration was approved at the Annual General Meeting of 25 April 2019 (tenth resolution).
Multi-year variable remuneration	N/A	No multi-year variable remuneration was awarded in 2019. Amount of 2018 multi-year variable remuneration paid during 2019: €88,320. This remuneration was approved at the Annual General Meeting of 25 April 2019 (tenth resolution).
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	588,632	The contingent award of shares in 2019 is consistent with the remuneration policy for 2019 approved by the Annual General Meeting on 25 April 2019. The Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, has awarded Olivier Roussat: <ul style="list-style-type: none"> • 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 from 2019 (in line with the 2019 remuneration policy) he should be granted a new long-term remuneration package on the following terms: Additional award: <ul style="list-style-type: none"> • A maximum of 13,333 shares subject to performance conditions as described in section 5.4.2.3 above, measured over the 2019 financial year. After an assessment of the performance criteria, 5,000 shares were awarded to Olivier Roussat for the 2019 financial year. Payment of that long-term remuneration (half of which will be in the form of a cash payment) will be subject to approval at the Annual General Meeting of 23 April 2020. <ul style="list-style-type: none"> • 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.
	270,216	
	460,711	
Remuneration for serving as a director	Paid by subsidiaries: 48,363	
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 value regulated agreements procedure

	Amount/Accounting value €	Comments
Severance benefit		No severance benefit.
Non-competition indemnity		No non-competition indemnity.
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 €324,192 for 2019). 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 2019, Olivier Roussat would have been entitled, taking into account his length of service, to an annual pension of €272,031. In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.

N/A: not applicable.

Components of the remuneration of Philippe Marien, Deputy CEO, paid or awarded in respect of the 2019 financial year and submitted to the Annual General Meeting of 23 April 2020 for approval (Resolution 10)

	Amount/Accounting value €	Comments
Fixed remuneration	920,000	
Variable remuneration	1,472,000	<p>The target annual variable remuneration of Philippe Marien represents 160% of his fixed remuneration, the level at which it is capped.</p> <p>For 2019, his annual variable remuneration is based on four financial criteria and three extra-financial criteria. Those criteria, and the attainment levels achieved, are described in section 5.4.2.1 above.</p> <p>This variable remuneration will be paid subject to approval at the Annual General Meeting of 23 April 2020.</p>
		<p>Amount of 2018 annual variable remuneration paid during 2019: €1,472,000. This remuneration was approved at the Annual General Meeting of 25 April 2019 (ninth resolution).</p>
Multi-year variable remuneration	N/A	<p>No multi-year variable remuneration was awarded in 2019.</p> <p>Amount of 2018 multi-year variable remuneration paid during 2019: €147,200.</p> <p>This remuneration was approved at the Annual General Meeting of 25 April 2019 (ninth resolution).</p>
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	588,632	<p>The contingent award of shares in 2019 is consistent with the remuneration policy for 2019 approved by the Annual General Meeting on 25 April 2019. The Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, has awarded Philippe Marien:</p> <ul style="list-style-type: none"> • A maximum of 40,000 shares subject to performance conditions measured over three years, as described in section 5.4.2.4 above. <p>In 2019, Bouygues ended the multi-year variable remuneration package to which Philippe Marien had been entitled. Consequently, it was proposed that from 2019 (in line with the 2019 remuneration policy) he should be granted a new long-term remuneration package on the following terms:</p> <p>Additional award:</p> <ul style="list-style-type: none"> • A maximum of 13,333 shares subject to performance conditions as described in section 5.4.2.4 above, measured over the 2019 financial year. <p>After an assessment of the performance criteria, 5,000 shares were awarded to Philippe Marien for the 2019 financial year. Payment of that long-term remuneration (half of which will be in the form of a cash payment) will be subject to approval at the Annual General Meeting of 23 April 2020.</p> <ul style="list-style-type: none"> • A maximum of 26,666 shares subject to performance conditions as described in section 5.4.2.4 above, measured over the 2019 and 2020 financial years.
	270,216	
	460,711	
Remuneration for serving as a director	Paid by subsidiaries: 77,739	
Valuation of benefits in kind	3,660	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.
Supplementary pension scheme		<p>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 €324,192 for 2019).</p> <p>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 2019, Philippe Marien would have been entitled, taking into account his length of service, to an annual pension of €249,400.</p> <p>In accordance with the Afep-Medef Code, this does not exceed 45% of his reference income.</p>

N/A: not applicable.

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 2019	in 2018	in 2019	in 2018	in 2019	in 2018	in 2019	in 2018
Remuneration awarded in respect of the year (see Table No. 2 for details)	2,517,080	2,653,522	1,399,900	1,483,863	2,460,820	1,571,595	2,473,399	2,619,193
Valuation of options awarded during the year ^a								
Valuation of performance shares awarded during the year ^b					1,319,559		1,319,559	
TOTAL	2,517,080	2,653,522	1,399,900	1,483,863	3,780,379	1,571,595	3,792,958	2,619,193

a No options were awarded to the Executive Officers in 2018 or 2019.

b In accordance with the 2019 remuneration policy, Olivier Roussat and Philippe Marien received a contingent award of shares subject to performance conditions; for details of those awards, see section 5.4.2.3 (Olivier Roussat) and section 5.4.2.4 (Philippe Marien).

Summary table: remuneration awarded to each Executive Officer (Afep-Medef Code Table No. 2)

Office held and length of service with the Group	Remuneration	2019 €		2018 €	
		Awarded	Paid	Awarded	Paid
Martin Bouygues Chairman and CEO (46 years)	Fixed	920,000	920,000	920,000	920,000
	Annual variable	1,472,000	1,472,000	1,472,000	1,472,000
	Multi-year variable ^a		147,200	147,200	
	Remuneration for serving as a director ^b	93,900	93,900	84,100	84,100
	Benefits in kind	31,180	31,180	30,222	30,222
	Total	2,517,080	2,664,280	2,653,522	1,034,322
	Fixed	500,000	500,000	500,000	500,000
	Annual variable	800,000	800,000	800,000	
	Multi-year variable ^a		80,000	80,000	
	Remuneration for serving as a director ^b	89,144	89,144	93,107	93,107
Olivier Bouygues Deputy CEO (46 years)	Benefits in kind	10,756	10,756	10,756	10,756
	Total	1,399,900	1,479,900	1,483,863	603,863
Olivier Roussat Deputy CEO (25 years)	Fixed	920,000	920,000	552,000	552,000
	Annual variable	1,472,000	1,472,000	883,200	
	Multi-year variable ^a		88,320	88,320	
	Remuneration for serving as a director ^b	48,363	48,363	36,400	36,400
	Benefits in kind	20,457	20,457	11,675	11,675
	Total	2,460,820	2,549,140	1,571,595	600,075
	Fixed	920,000	920,000	920,000	920,000
	Annual variable	1,472,000	1,472,000	1,472,000	
	Multi-year variable ^a		147,200	147,200	
	Remuneration for serving as a director ^b	77,739	77,739	76,349	76,349
Philippe Marien Deputy CEO (39 years)	Benefits in kind	3,660	3,660	3,644	3,644
	Total	2,473,399	2,620,599	2,619,193	999,993

a In accordance with the 2019 remuneration policy, multi-year variable remuneration has been discontinued with effect from 2019 for all four Executive Officers. For Olivier Roussat and Philippe Marien, this has been 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 2019 financial year

€		Source (Notes 1 & 2)	2019	2018
Martin Bouygues	Chairman and CEO	Paid by Bouygues Paid by subsidiaries	70,000 23,900	60,200 23,900
Olivier Bouygues	Deputy CEO	Paid by Bouygues Paid by subsidiaries	40,000 49,144	40,000 53,107
SUB-TOTAL: EXECUTIVE OFFICERS		Paid by Bouygues Paid by subsidiaries Sub-total	110,000 73,044 183,044	100,200 77,007 177,207
Raphaëlle Deflesselle	Director	Paid by Bouygues	24,349 7,305	22,800 6,000
Charlotte Bouygues	Director	Paid by Bouygues Paid by subsidiaries	34,400 16,708	17,200 18,048
William Bouygues	Director	Paid by Bouygues	40,000	17,200
Francis Castagné	Director	Paid by Bouygues	40,000 12,000	40,000 12,000
Clara Gaymard	Director	Paid by Bouygues	28,800 16,000	40,000 13,760
Anne-Marie Idrac	Director	Paid by Bouygues	34,400 25,760	40,000 23,520
Colette Lewiner	Director	Paid by Bouygues Paid by subsidiaries	40,000 12,000 32,000	40,000 12,000 32,000
Herman le Pas de Sécheval	Director	Paid by Bouygues	34,400 28,000	34,400 28,000
Sandra Nombret	Director	Paid by Bouygues	17,851	N/A
Alexandre de Rothschild	Director	Paid by Bouygues	40,000	40,000
Rose-Marie Van Lerberghe	Director	Paid by Bouygues	40,000 12,000	34,400 12,000
Michèle Vilain	Director	Paid by Bouygues	40,000 16,000	40,000 16,000
SUB-TOTAL - OTHER DIRECTORS		Paid by Bouygues Paid by subsidiaries Sub-total	543,265 48,708 591,973	621,280 62,697 683,977
GRAND TOTAL OF DIRECTORS' FEES: EXECUTIVE OFFICERS AND DIRECTORS		Paid by Bouygues Paid by subsidiaries Total	653,265 121,752 775,017	721,480 139,704 861,184

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).

5 CORPORATE GOVERNANCE

Remuneration of corporate officers of Bouygues SA (Executive Officers and directors)

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
Martin Bouygues					
Olivier Bouygues					
Olivier Roussat	2019	40,000	588,632	N/A	2022 AGM See section 5.4.2.3
	2019	26,666	460,711	N/A	2021 AGM See section 5.4.2.3
	2019	13,333	270,216	N/A	2020 AGM See section 5.4.2.3
Philippe Marien	2019	40,000	588,632	N/A	2022 AGM See section 5.4.2.4
	2019	26,666	460,711	N/A	2021 AGM See section 5.4.2.4
	2019	13,333	270,216	N/A	2020 AGM See section 5.4.2.4

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 of shareholders	N/A	N/A	N/A
Date of Board meeting	20 February 2019	20 February 2019	20 February 2019
Total number of shares awarded, of which:	26,666	53,332	80,000
• Olivier Roussat	13,333	26,666	40,000
• Philippe Marien	13,333	26,666	40,000
Vesting date of shares	After the 2020 AGM	After the 2021 AGM	After the 2022 AGM
End of lock-up period	N/A	N/A	N/A
Performance conditions	See sections 5.4.2.3 and 5.4.2.4	See sections 5.4.2.3 and 5.4.2.4	See sections 5.4.2.3 and 5.4.2.4
Number of shares vested as of 19 February 2020 ^a	10,000		
Cumulative number of cancelled or forfeited shares	16,666		
Shares outstanding at end of period	N/A	N/A	N/A

a After an assessment of the performance criteria, 5,000 shares were awarded by the Board of Directors to Olivier Roussat and Philippe Marien for the 2019 financial year. Payment of that long-term remuneration (half of which will be in the form of a cash payment) will be subject to approval at the Annual General Meeting of 23 April 2020.

N/A: not applicable.

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	
	Yes	No	Yes	No	Yes	No	Yes	No
Martin Bouygues Office: Chairman and CEO		X	X			X		X
Olivier Bouygues Office: Deputy CEO		X	X			X		X
Olivier Roussat Office: Deputy CEO		X ^a	X			X		X
Philippe Marien Office: Deputy CEO		X ^a	X			X		X

a Employment contracts suspended with effect from 1 September 2016.

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 25.6% of the voting rights at 31 December 2019;
- **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 25 April 2019 (Resolution 34) 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 23 April 2020 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 25 April 2019 (Resolution 20) 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 23 April 2020 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 TFI'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 and of 8 December 2015 relating to the 700 MHz 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.

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:

- 2019: €502,250;
- 2018: €592,667;
- 2017: €508,200.

These amounts represent approximately 100 flight hours per year. The flights in question are within the corporate purpose of Bouygues, and enable senior executives and employees of Bouygues to save time on business trips such as site visits, especially in regions inadequately served by commercial airlines.

6

INFORMATION ON THE COMPANY

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6.1 LEGAL INFORMATION

6.1.1 General information

Company name	Bouygues
Registered office	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 Article L. 225-123 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 of thresholds (Article 8.3 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 of the total number of shares they own. 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.

Under the terms of Article 8.2 of the articles of association, the company is authorised to use all legal means to identify the holders of securities conferring an immediate or future right to vote at general meetings.

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 12 September 2019, Bouygues SA announced that it had divested a 13% equity interest in Alstom through a placement by way of an accelerated book-building with institutional investors.

Bouygues SA gave an undertaking to the banks managing the placement to retain its residual equity interest in Alstom (14.7% as of 31 December 2019) for a 180-day lock-up period after the divestment, subject to customary exceptions.

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 (€)

Article D. 441 I.-1: Invoices received and due for payment that remain unpaid at the end of the reporting period							
	Not past due	0 days	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		151				Not applicable	
Cumulative amount of invoices involved (incl. VAT)		€1,643,913		€1,185			€1,185
Percentage of total amount of invoices (incl. VAT) received in the year		2.06%		0.00%			0.00%
B. Invoices excluded from (A) because they are disputed or not recognised in the accounts							
Number of invoices excluded				58			
Total amount of invoices excluded				€314,640			
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			<input checked="" type="checkbox"/> Contractual term				
			<input checked="" type="checkbox"/> Statutory terms: 30 days from invoice date				

6.1.4.2 Analysis of trade receivables (€)

Article D. 441 I.-2: Invoices issued and due for payment that remain unpaid at the end of the reporting period							
	Not past due	0 days	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		76	11			Not applicable	
Cumulative amount of invoices involved (incl. VAT)		€21,906,339	€137,066				
Percentage of total amount of invoices (incl. VAT) issued in the year		21.19%	0.13%				
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			<input checked="" type="checkbox"/> Contractual term				
			<input checked="" type="checkbox"/> 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;

- 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 2018	€372,377,939 composed of 372,377,939 shares with a par value of €1 each
Number of voting rights at 31 December 2018 ^a	498,684,217 voting rights
Issue of new shares from 1 January to 31 December 2019	2,288,650 new shares issued on exercise of stock options 6,031,363 new shares reserved for employees (Bouygues Confiance n°11)
Cancellation of treasury shares	869,832 treasury shares cancelled on 20 February 2019
Share capital at 31 December 2019	€379,828,120
Number of voting rights at 31 December 2019 ^a	509,048,266

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.

Date	Capital increases/reductions over the last 5 years	Amount of changes in share capital		
		Nominal	Share premium and capitalisation of reserves	Amount of share capital
1 January to 6 October 2015	Exercise of stock options for 2,000,320 shares	2,000,320	52,648,417	338,086,778
29 December 2015	Subscription of 6,472,603 shares by the Bouygues Confiance 7 employee share ownership fund	6,472,603	143,527,382	344,559,381
7 October to 31 December 2015	Exercise of stock options for 575,935 shares	575,935	17,130,046	345,135,316
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

6.2.2 Employee share ownership

6.2.2.1 Board of Directors' supplementary report on the capital increase reserved for employees and corporate officers of French companies who are members of the Bouygues group savings scheme (Article R. 225-116 of the Commercial Code)

To the shareholders,

Under the thirty-first resolution approved by the Combined Annual General Meeting of 25 April 2019, you delegated to the Board of Directors, with the option of sub-delegation within the limits provided by law, for a period of twenty-six months, the power:

- to carry out one or more capital increases of up to 5% of the company's share capital as of the date of the decision;
- with subscriptions for the shares thereby issued being reserved for employees and corporate officers of Bouygues and of related French or foreign companies who are members of a company, Group or inter-company savings scheme.

To this end you delegated to the Board of Directors, with the option of sub-delegation to the Chairman and Chief Executive Officer or, with his consent, to one or more Deputy Chief Executive Officers, full powers to carry out said capital increases and determine the final terms and conditions thereof.

Using the powers thus granted by the Annual General Meeting, the Board of Directors at its meeting of 2 October 2019:

- approved in principle a capital increase of a maximum amount of €150 million (inclusive of share premium) via a new leveraged share ownership plan, Bouygues Confiance n°11;
- granted full powers to the Chairman and Chief Executive Officer to implement the transaction.

Under the powers thus granted by the Board of Directors, the Chairman and Chief Executive Officer decided on 9 October 2019 to carry out a capital increase of a maximum amount of €150 million (inclusive of share premium) on the terms determined by the Board of Directors at its meeting of 2 October 2019.

In accordance with Article L. 3332-19 of the Labour Code, he set the opening date of the subscription period and fixed the subscription price at the average of the quoted share prices for the twenty trading days preceding 9 October 2019 less a discount of 30%.

Description of the plan

The new plan will be implemented via a leveraged employee share ownership fund specifically created for the purpose, the rules of which were approved by the Autorité des Marchés Financiers (AMF) on 12 August 2019. This fund, called FCPE Bouygues Confiance n°11 (hereinafter the FCPE), is reserved for employees and corporate officers of Bouygues and of French companies who are members of the Bouygues

group savings scheme, provided they have at least three months' length of service as of 30 December 2019. The funds collected must be invested in Bouygues shares.

The plan involves a capital increase of a maximum amount of €150 million (inclusive of share premium). It is a leveraged plan whereby each beneficiary's personal contribution will be topped up thanks to an exchange transaction between the FCPE and a bank, with the bank's top-up contribution representing nine times the amount of the beneficiary's personal contribution.

When the beneficiaries withdraw from the FCPE they will receive, for all of the shares acquired with their personal contribution and the bank's top-up contribution, a percentage of the amount corresponding to the positive difference between the average share value calculated over a five-year period (or to the date of early release from the lock-up period) and the reference price (i.e. the average of the quoted share prices for the twenty trading days preceding 9 October 2019). That percentage was set at 237%.

The plan involves limited risk because the beneficiaries are guaranteed to recover their personal contribution regardless of any change in the Bouygues share price.

In his decision of 9 October 2019, the Chairman and Chief Executive Officer, having noted that the average of the initial quoted share prices for the twenty trading days preceding that date was €35.521, set the subscription price at €24.87, i.e. 70% of the aforementioned average, in accordance with Article L. 3332-19 of the Labour Code.

He set 15 November 2019 as the opening date for the subscription period and 2 December 2019 as the closing date.

He decided that the beneficiaries should pay their subscriptions in two instalments, the first no later than 20 December 2019 and the second in January 2020 but no later than 6 January 2020. However, site workers and technical, supervisory and clerical staff will be able to spread their payment over a period of up to six months, with the corresponding cash advance being made by the company that employs them.

He set 20 December 2019 as the date on which the FCPE is to subscribe to the capital increase.

He decided that the FCPE would pay its subscription in two instalments, the first on 20 December 2019 to be equivalent to the payments made by the beneficiaries during December, with the balance to be paid on 6 January 2020.

He noted that the maximum number of new shares that may be created based on the authorised capital increase and the subscription price would be 6,031,363, or 1.62% of the share capital as of 9 October 2019. This complies with the resolution passed at the Combined Annual General Meeting of 25 April 2019, which stipulated that the maximum number of shares offered must be less than 5% of the share capital.

He also specified that the shares subscribed through the FCPE will rank for dividend from 1 January 2019, and that the new shares will be fungible with the existing shares.

Impact of the issue on the position of existing shareholders

The impact of the issue of up to 6,031,363 new shares on a shareholder who held a 1% interest in the capital of Bouygues as of 9 October 2019 and does not subscribe to the capital increase would be as follows:

Percentage interest

Before the issue	1%
After the issue of the maximum of 6,031,363 new shares	0.98%

The impact of this issue on the interest in the shareholders' equity of Bouygues SA (based on interim accounts as of 30 June 2019) of a shareholder who holds one Bouygues share and does not subscribe to the capital increase would be as follows:

Interest in shareholders' equity of Bouygues SA as of 30 June 2019

Before the issue	€16.75
After the issue of the maximum of 6,031,363 new shares	€16.48

Finally, the impact of this issue on the interest in consolidated shareholders' equity attributable to the Group (as of 30 June 2019) of a shareholder who holds one Bouygues share and does not subscribe to the capital increase would be as follows:

Interest in consolidated shareholders' equity attributable to the Group as of 30 June 2019

Before the issue	€24.68
After the issue of the maximum of 6,031,363 new shares	€24.28

Theoretical impact of the issue on the stock market value of Bouygues shares

Given the issue price and number of shares issued, the issue will not have a material impact on the market value of Bouygues shares.

At its meeting of 13 November 2019, the Board of Directors duly noted the Chairman and Chief Executive Officer's decision and approved the wording of this supplementary report, drafted in accordance with Article R. 225-116 of the Commercial Code and describing the final terms and conditions of the issue in accordance with the authorisation granted by the Annual General Meeting.

In accordance with Article R. 225-116 of the Commercial Code, the present report will be made available to shareholders at the company's registered office no later than fifteen days after this Board meeting, and will be brought to the attention of shareholders at the next Annual General Meeting.

13 November 2019

The Board of Directors

6.2.2.2 Auditors' supplementary report on the capital increase reserved for employees and corporate officers of French companies who are members of the Group savings scheme

To the shareholders,

In our capacity as statutory auditors of your company and as required under Article R. 225-116 of the Commercial Code, we hereby present a supplementary report to our report of 20 February 2019 on the capital increase, with cancellation of pre-emptive rights for existing shareholders, reserved for employees and corporate officers of Bouygues and of related French or foreign companies who are members of a company, Group or inter-company savings scheme, as approved by the Combined Annual General Meeting of 25 April 2019.

This capital increase was submitted for the approval of shareholders in accordance with the requirements of Article L. 225-129-6 of the Commercial Code and Articles L. 3332-18 et seq. of the Labour Code.

That meeting delegated to the Board of Directors, with the option of sub-delegation, powers to carry out such a capital increase within a period of twenty-six months and for up to 5% of the share capital as at the date of the Board's decision. At its meeting of 2 October 2019, the Board of Directors used that delegation to approve in principle a capital increase of a maximum amount of €150 million (inclusive of share premium) via a new leveraged employee share ownership plan known as Bouygues Confiance n°11, and granted full powers to the Chairman and Chief Executive Officer to implement the capital increase.

On 9 October 2019, the Chairman and Chief Executive Officer decided to use that sub-delegation to carry out a capital increase of a maximum amount of €150 million (inclusive of share premium) via a dedicated fund known as FCPE Bouygues Confiance n°11. That capital increase – reserved for employees and corporate officers of Bouygues and of French companies who are members of the Bouygues group savings scheme, provided they have at least three months' length of service as of 30 December 2019 – involved issuing a maximum of 6,031,363 shares at a subscription price of €24.87. At its meeting of 13 November 2019, the Board of Directors duly noted the Chairman and Chief Executive Officer's decision.

The Board of Directors is responsible for drawing up a supplementary report in accordance with Articles R. 225-115 and R. 225-116 of the Commercial Code. Our responsibility is to express an opinion on the fairness of the financial information extracted from the interim accounts, on the proposal to cancel pre-emptive rights for existing shareholders, and on other specific information regarding the issue 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. Those procedures mainly involved verifying:

- the fairness of the financial information extracted from the parent company interim accounts and the consolidated interim accounts prepared under the responsibility of the Board of Directors as of 30 June 2019, using the same methods and presentation as in the last full-year parent company and consolidated financial statements. Our work on those interim accounts involved meeting with members of management who are responsible for accounting and financial matters, verifying that the interim accounts were prepared using the same accounting policies and measurement and presentation methods as were used in the preparation of the last full-year parent company and consolidated financial statements, and implementing analytical procedures;
- the compliance of the terms and conditions of the transaction with the delegation given by the General Meeting; and
- the information provided in the Board's supplementary report on the inputs used to calculate the issue price and final issue amount.

We have no matters to report regarding:

- the fairness of the financial information extracted from the interim accounts and provided in the Board's supplementary report;
- the compliance of the terms and conditions of the transaction with the delegation given by the Combined Annual General Meeting of 25 April 2019, and with the indications provided to the shareholders;
- the inputs used to calculate the issue price and final issue amount;
- the presentation of the impact of the issue on the position of holders of equity securities in relation to shareholders' equity and the stock market value of the share; and
- the cancellation of pre-emptive rights for existing shareholders, on which you previously voted.

Paris-La Défense, 13 November 2019

The Statutory Auditors

MAZARS
Gilles Rainaut

ERNST & YOUNG Audit
Laurent Vitse

6.2.2.3 Employee share ownership at 31 December 2019

At 31 December 2019, Group employees held 19.28% of the share capital of Bouygues and 25.59% of the voting rights through a number of employee share ownership funds:

- the fund (created in 1968, and invested in Bouygues shares purchased on the market) associated with the Bouygues group French statutory profit-sharing scheme held 1.30% of the share capital and 1.92% of the voting rights at 31 December 2019;

- the fund (funded by voluntary contributions from employees and additional contributions paid by the company, and invested in Bouygues shares purchased on the market) dedicated to the Bouygues group company savings scheme held 11.23% of the share capital and 15.74% of the voting rights at 31 December 2019;
- the leveraged funds set up in association with the employee share ownership plans awarded in 2015, 2016, 2017, 2018 and 2019 (Bouygues Confiance 7, Bouygues Confiance n°8, Bouygues Confiance n°9, Bouygues Confiance n°10 and Bouygues Confiance n°11) held 6.75% of the share capital and 7.93% of the voting rights at 31 December 2019.

6.2.3 Potential creation of new shares

At 31 December 2019, 6,304,767 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. €37.88 at 31 December 2019).

6.2.4 Share buybacks

6.2.4.1 Use in 2019 of authorisations granted by the Annual General Meeting

The Combined Annual General Meetings of 26 April 2018 and 25 April 2019 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 26 April 2018 and 25 April 2019 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.

^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.

6 INFORMATION ON THE COMPANY

Share capital

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 2019.

Transactions carried out by Bouygues in its own shares in 2019	
Number of treasury shares held by the company at 31 December 2018	313,000
Shares purchased in 2019	1,761,138
Shares cancelled in 2019	869,832
Shares sold in 2019	1,171,306
Number of treasury shares held by the company at 31 December 2019	33,000
Value (purchase price) of treasury shares held by the company at 31 December 2019	€1,235,025
Breakdown of transactions by purpose	
Cancellation of shares	
Shares cancelled in 2019	869,832
Shares reallocated for other purposes	
Number of treasury shares held by the company at 31 December 2019 outside the liquidity contract	
Liquidity contract	
Shares purchased in 2019	891,306
Shares sold in 2019	1,171,306
Shares reallocated for other purposes	
Number of treasury shares held by the company at 31 December 2019 under the liquidity contract	33,000

6.2.4.2 Description of the new share buyback programme submitted for approval by the Combined Annual General Meeting of 23 April 2020

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 23 April 2020. This programme is intended to replace the one authorised by the twentieth resolution of the Combined Annual General Meeting of 25 April 2019.

Number of shares and proportion of share capital held by Bouygues – Open derivatives positions

At 31 December 2019, the company's capital was made up of 379,828,120 shares, including 33,000 held by Bouygues via a liquidity contract, representing 0.09% of the share capital.

The carrying amount of the 33,000 shares held under the liquidity contract was €1.24 million. Their nominal value was €33,000.

Authorisation submitted for approval at the Annual General Meeting of 23 April 2020

The company is asking the Annual General Meeting convened for 23 April 2020 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. 225-209 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;
- 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 19 February 2020 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, in particular 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 23 April 2020, 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).

By 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 23 April 2020, i.e. until 23 October 2021.

6.3 SHARE OWNERSHIP

6.3.1 Changes in share ownership over the last three years

	Situation at 31 December 2019 ^a			Situation at 31 December 2018			Situation at 31 December 2017		
	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	80,555,243	21.2	29.2	80,555,243	21.6	29.1	76,840,591	21.0	29.4
Bouygues employees ^d	73,226,601	19.3	25.6	70,597,924	19.0	25.8	64,342,304	17.6	23.9
Other French shareholders	87,544,321	23.0	18.0	91,737,074	24.6	19.1	82,539,720	22.5	17.6
Foreign shareholders	138,468,955	36.5	27.2	129,174,698	34.7	25.9	142,353,170	38.9	29.1
Bouygues	33,000 ^e			313,000 ^e	0.1	0.1	49,500 ^e		
TOTAL	379,828,120	100	100	372,377,939	100%	100%	366,125,285	100%	100%

a Based on a survey of identifiable bearer shares as at 31 December 2019: 359 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 2019, 33% 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 2019		
31 December 2018		379,828,120 509,048,266
31 December 2017		372,377,939 498,684,217
		366,125,285 489,672,012

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

6.3.1.1 Significant changes in share ownership during 2019

The main movements in share ownership since 31 December 2018 are described below:

- The interest in the capital held by employees rose slightly, from 19% at 31 December 2018 to 19.3% at 31 December 2019, due to the new leveraged employee share ownership plan Bouygues Confiance n°11. The percentage of voting rights held by employees decreased slightly, from 25.8% in 2018 to 25.6% in 2019;

- SCDM's stake reduced slightly, from 21.6% at 31 December 2018 to 21.2% at 31 December 2019, while SCDM's share of the voting rights was virtually unchanged at 29.2% (versus 29.1% at 31 December 2018);
- BlackRock and Groupe BPCE remain the two largest institutional shareholders, with 4.9% and 3.3% of the capital respectively at 31 December 2019. First Eagle closed out its position at the end of December 2019.

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 2019, 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 (36.8% of the voting rights exercised at the 2019 Annual General Meeting), given the number of voting rights actually exercised.

The employees held 25.6% of the voting rights as of 31 December 2019 (33% of the voting rights exercised at the 2019 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 5.2 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 on the basis of 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.

Barring a decision to the contrary, options are awarded each May after publication of the first-quarter financial statements.

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 2019 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 2019

On 15 May 2019, the Board of Directors decided to grant, on 31 May 2019, a total of 2,898,500 options to 665 beneficiaries drawn from among the corporate officers and employees of Bouygues or companies belonging to the Bouygues group.

The exercise price was set at €32.59 per share subscribed.

The value of each stock option was €1.36 at the grant date, estimated in accordance with the method used for the consolidated financial statements.

This stock option plan represented 0.78% of the company's share capital as of 30 April 2019.

Stock subscription options exercised by Executive Officers of Bouygues in 2019

The Board did not award any options to the Executive Officers.

Stock subscription options exercised by Executive Officers of Bouygues in 2019

Person involved	Plan	Number of options exercised	Exercise price €
Olivier Roussat	May 2016	50,000	29.00
TOTAL		50,000	

6.4.3 Performance shares

Performance shares awarded to each Executive Officer

Bouygues did not award any performance shares in 2019.

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

	2019	2018	2017	2016	2015	2014	2013
Date of AGM	25/04/2019	26/04/2018	27/04/2017	21/04/2016	23/04/2015	21/04/2011	21/04/2011
Grant date	31/05/2019	01/06/2018	01/06/2017	30/05/2016	28/05/2015	27/03/2014	28/03/2013
Number of options awarded by the Board of Directors	2,898,500	2,584,700	2,570,800	2,790,000	2,739,600	2,790,000	2,790,000
• of which the 10 employees awarded the most options	587,000	482,500	453,500	414,500	360,800	289,100	335,800
Exercise price	€32.591	€41.567	€37.993	€28.997	€37.106	€30.32	€22.28
Start date of exercise period	01/06/2021	02/06/2020	02/06/2019	31/05/2018	29/05/2017	28/03/2018	29/03/2017
Expiration date ^a	31/05/2029	01/06/2028	01/06/2027	30/05/2026	28/05/2025	27/09/2021	28/09/2020
Number of options cancelled or lapsed	52,000	65,150	132,900	112,165	179,562	218,113	221,459
Number of options outstanding at 31/12/2019	2,846,500	2,519,550	2,437,842	1,780,612	2,103,546	1,649,602	771,007
Number of options exercised between 01/01/2020 and 31/01/2020	30,409						
TOTAL OPTIONS OUTSTANDING AT 31/12/2019	14,108,659						

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 2019

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 €
François Bertiére	Bouygues	31 May 2019	135,000	32.59
Philippe Bonnave	Bouygues	31 May 2019	80,000	32.59
Georges Colombani	Bouygues	31 May 2019	16,000	32.59
Emmanuel Forest	Bouygues	31 May 2019	13,000	32.59
Hervé Le Bouc	Bouygues	31 May 2019	135,000	32.59
Pascal Minault	Bouygues	31 May 2019	80,000	32.59
Gilles Pélisson	Bouygues	31 May 2019	80,000	32.59
Arnauld Van Eeckhout	Bouygues	31 May 2019	20,000	32.59
Richard Viel-Gourarin	Bouygues	31 May 2019	80,000	32.59
Gilles Zancanaro	Bouygues	31 May 2019	16,000	32.59
TOTAL			655,000	

Stock subscription options exercised during 2019 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 €
Jean-François Guillemin	Bouygues	June 2012	33,000	20.11
		March 2013	27,000	22.28
Georges Colombani	Bouygues	June 2012	14,223	20.11
		March 2013	15,000	22.28
Gilles Zancanaro	Bouygues	June 2012	18,000	20.11
		March 2013	7,500	22.28
Philippe Bonnave	Bouygues	June 2012	23,000	20.11
Arnauld Van Eeckhout	Bouygues	May 2016	10,500	29
		March 2014	9,500	30.32
Gérard Bucourt	Bouygues	May 2016	9,000	29
		March 2014	8,300	30.32
Emmanuel Forest	Bouygues	June 2012	13,500	20.11
Emmanuel Roger	Bouygues	June 2012	5,000	20.11
		March 2013	7,000	22.28
Pascal Grangé	Bouygues	June 2012	7,000	20.11
		March 2013	4,000	22.28
Philippe Cuenot	Bouygues	March 2013	7,800	22.28
TOTAL			219,323	

In 2019, 2,238,650 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 2019

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 were a total of 379,828,120 **shares in issue** on 31 December 2019.
- The **average number of shares in issue** during 2019 was 372,761,257.
- The average daily volume traded in 2019 as reported by Euronext was 987,048 shares.

During 2019, Bouygues shares rose by 20.9%, compared with a rise of 26.4% for the CAC 40. The 2019 rise came in three phases:

- The share remained below the €31 barrier in January, but rallied after the announcement in February 2019 of better-than-expected full-year results. It broke through the €32 barrier before reaching €35 at the end of April 2019.
- Between April and August, the share price dipped by 12% due to disinvestment by a large investor that had been a Bouygues shareholder for more than ten years.
- The first-half results were very well received by the markets: on publication day at the end of August 2019, Bouygues shares posted the biggest rise on the CAC 40, of 6.75%. The share price continued its rise after the sale by Bouygues of a 13% interest in Alstom on 12 September, before peaking at €39.25 on 17 October.

Year	Number of shares	Dividend paid for the year			Quoted market price €	Yield based on closing price %
		Net	High	Low		
2014	336,086,458	1.60	34.68	23.70	29.98	5.3
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	2.60 ^a	39.25	29.50	37.88	6.9

a Of which €0.90 per share is exceptional, subject to approval by the Annual General Meeting of 23 April 2020.

6.5.2 Trends in share price and trading volumes

2018	High €	Low €	Number of shares traded	Capital traded €
January	45.75	43.21	16,135,205	724
February	44.42	40.34	21,320,077	895
March	41.70	39.35	16,102,351	655
April	42.90	40.52	13,898,801	585
May	43.08	39.54	22,641,691	935
June	39.92	36.70	18,512,363	712
July	38.21	36.48	15,427,994	575
August	39.00	36.28	14,104,406	529
September	37.50	35.10	17,337,447	632
October	37.18	30.85	25,914,144	874
November	34.74	32.00	23,219,071	769
December	33.76	30.26	20,443,868	660

2019	High €	Low €	Number of shares traded	Capital traded €
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 2019.

Person involved	Nature of transaction	Number of transactions	Number of shares/units	Amount €
Olivier Roussat	Exercise of options	4	50,000	1,450,000.00
	Sale	4	50,000	1,808,899.25
Philippe Bonnave	Exercise of options	3	23,000	462,530.00
	Sale	3	23,000	837,030.96
Pascal Grangé	Exercise of options	3	11,000	229,890.00
	Sale	3	11,000	376,677.75
Jean-Philippe Trin	Exercise of options	2	37,000	1,090,160.00
	Sale	2	37,000	1,441,731.70
Pascal Minault	Exercise of options	1	4,500	100,260.00
	Sale of units in employee share ownership fund	1	401.1311	107,210.31
Arnauld Van Eeckhout	Exercise of options	2	20,000	592,540.00
	Sale	2	20,000	659,152.00
Olivier-Marie Racine	Exercise of options	7	32,000	667,390.00
	Sale	7	32,000	1,131,665.40
Bernard Mounier	Exercise of options	1	8,000	160,880.00
	Sale of units in employee share ownership fund	1	635.4292	164,646.06
Richard Viel-Gouarin	Exercise of options	1	6,876	199,404.00
	Sale of units in employee share ownership fund	1	783.1838	200,072.13
Frédéric Gardès	Exercise of options	2	2,500	50,275.00
	Sale of units in employee share ownership fund	1	67.3736	17,220.02
Éric Mazoyer	Exercise of options	1	13,000	289,640.00
	Sale	1	13,000	432,640.00
Raphaëlle Deflesselle	Exercise of options	1	1,000	20,110.00
	Sale	1	1,000	37,270.00

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.

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	2019	2018	2017	2016	2015
1. FINANCIAL POSITION AT YEAR-END					
a) Share capital (€m)	380	372	366	355	345
b) Number of shares in issue	379,828,120	372,377,939	366,125,285	354,908,547	345,135,316
c) Number of bonds convertible into shares					
2. RESULTS OF OPERATIONS (€m)					
a) Sales excluding taxes	85	73	81	73	73
b) Earnings before tax, amortisation, depreciation and provisions	812	597	(63)	696	761
c) Income tax	131	155	178	86	103
d) Earnings after tax, amortisation, depreciation and provisions	1,166	886	102	973	845
e) Amount of profits distributed as dividend	988 ^a	631	620	568	552
3. RESULTS OF OPERATIONS ON A PER SHARE BASIS (€)					
a) Earnings after tax, but before amortisation, depreciation and provisions	2.48	2.02	0.32	2.20	2.50
b) Earnings after tax, amortisation, depreciation and provisions	3.07	2.38	0.28	2.74	2.45
c) Dividend per share	2.60 ^b	1.70	1.70	1.60	1.60
4. PERSONNEL					
a) Number of employees (average)	185	173	167	169	170
b) Payroll (€m)	41	35	30	37	36
c) Amount paid in respect of benefits (social security, company benefits, etc.) (€m)	19	16	14	17	18

a Of which €342m is exceptional.

b Of which €0.90 is exceptional.

7

FINANCIAL STATEMENTS

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7.1 CONSOLIDATED FINANCIAL STATEMENTS

7.1.1 Consolidated balance sheet

Assets (€ million)	Note	31/12/2019 net	31/12/2018 net restated ^a
Property, plant and equipment	3.2.1	7,502	7,327
Right of use of leased assets	3.2.2	1,634	1,558
Intangible assets	3.2.3	2,177	2,198
Goodwill	3.2.4	6,541	6,301
Investments in joint ventures and associates	3.2.5/3.2.6	1,556	2,633
Other non-current financial assets	3.2.5	487	536
Deferred tax assets and non-current tax receivable	7.1	342	326
NON-CURRENT ASSETS		20,239	20,879
Inventories	4.1	3,239	3,154
Advances and down-payments made on orders	4.2	434	483
Trade receivables	4.3	6,288	6,145
Customer contract assets	4.4	2,426	2,270
Current tax assets	4.3	307	260
Other current receivables and prepaid expenses	4.3	2,828	2,707
Cash and cash equivalents	4.5	3,574	2,928
Financial instruments - Hedging of debt	18.2	12	11
Other current financial assets	18.2	7	10
CURRENT ASSETS		19,115	17,968
Held-for-sale assets and operations			340
TOTAL ASSETS		39,354	39,187
Liabilities and shareholders' equity	Note	31/12/2019	31/12/2018 restated ^a
Share capital	5.2	380	372
Share premium and reserves		8,803	8,070
Translation reserve	5.3.3	38	(103)
Treasury shares			
Net profit/(loss) attributable to the Group		1,184	1,308
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	5.1	10,405	9,647
Non-controlling interests	5.1	1,395	1,385
SHAREHOLDERS' EQUITY	5.1	11,800	11,032
Non-current debt	8.1	4,236	5,048
Non-current lease obligations	10.1	1,344	1,326
Non-current provisions	6.1	2,167	2,042
Deferred tax liabilities	7.2	361	328
NON-CURRENT LIABILITIES		8,108	8,744
Current debt	8.1	1,295	1,240
Current lease obligations	10.2	342	318
Current tax liabilities		230	154
Trade payables		7,394	7,423
Customer contract liabilities	11.2	3,854	3,885
Current provisions	6.2	1,136	995
Other current liabilities	11.1	4,895	4,779
Overdrafts and short-term bank borrowings		220	238
Financial instruments - Hedging of debt	18.2	57	25
Other current financial liabilities	18.2	23	21
CURRENT LIABILITIES	11.1	19,446	19,078
Liabilities related to held-for-sale operations			333
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		39,354	39,187
NET SURPLUS CASH/(NET DEBT)	9/17.1	(2,222)	(3,612)

a The balance sheet as of 31 December 2018 has been restated for the effects of applying IFRS 16 and IFRIC 23.

7.1.2 Consolidated income statement

(\$ million)	Note	Full year	
		2019	2018 restated ^a
SALES ^b	12/17.1	37,929	35,555
Other revenues from operations		81	185
Purchases used in production		(17,473)	(16,715)
Personnel costs		(8,376)	(7,975)
External charges		(7,950)	(7,490)
Taxes other than income tax		(629)	(687)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets	17.1/4.6	(1,777)	(1,703)
Net amortisation expense on right of use of leased assets	4.6	(338)	(314)
Charges to provisions and impairment losses, net of reversals due to utilisation	17.1/4.6	(516)	(417)
Change in production and property development inventories		(250)	94
Other income from operations ^c		1,760	1,875
Other expenses on operations		(785)	(844)
CURRENT OPERATING PROFIT/(LOSS)	13/17.1	1,676	1,564
Other operating income	13/17.1	71	371
Other operating expenses	13/17.1	(51)	(106)
OPERATING PROFIT/(LOSS)	13/17.1	1,696	1,829
Financial income	14.1	39	29
Financial expenses	14.1	(246)	(245)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)	14.1/17.1	(207)	(216)
Interest expense on lease obligations	17.1	(57)	(57)
Other financial income	14.2	84	82
Other financial expenses	14.2	(94)	(64)
Income tax	15/17.1	(452)	(426)
Share of net profits/losses of joint ventures and associates	17.1	350	302
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	17.1	1,320	1,450
Net profit/(loss) from discontinued and held-for-sale operations			
NET PROFIT/(LOSS)	17.1	1,320	1,450
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	16/17.1	1,184	1,308
Net profit/(loss) attributable to non-controlling interests		136	142
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	16	3.18	3.56
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	16	3.17	3.54

a The full-year 2018 income statement has been restated for the effects of applying IFRS 16.

b Of which sales generated abroad

c Of which reversals of unutilised provisions/impairment losses & other items

15,483
364

13,767
487

7.1.3 Consolidated statement of recognised income and expense

(€ million)	Note	Full year	
		2019	2018 restated ^a
NET PROFIT/(LOSS)		1,320	1,450
Items not reclassifiable to profit or loss			
Actuarial gains/losses on post-employment benefits		(97)	18
Net change in fair value of equity instruments		(28)	(6)
Net tax effect of items not reclassifiable to profit or loss		22	(2)
Share of non-reclassifiable income and expense of joint ventures and associates ^b		(97)	27
Items reclassifiable to profit or loss			
Change in cumulative translation adjustment		55	
Net change in fair value of financial instruments used for hedging purposes		(32)	(7)
Net tax effect of items reclassifiable to profit or loss		6	(1)
Share of reclassifiable income and expense of joint ventures and associates ^b		93	(21)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	5.3	(78)	8
TOTAL RECOGNISED INCOME AND EXPENSE		1,242	1,458
Recognised income and expense attributable to the Group		1,125	1,319
Recognised income and expense attributable to non-controlling interests		117	139

a The full-year 2018 statement of recognised income and expense has been restated for the effects of applying IFRS 16.

b Relates mainly to Alstom.

7.1.4 Consolidated statement of changes in shareholders' equity

(€ million)	Note	Share capital	Reserves related to capital and share	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 2017									
RESTATED^a		2,405	3,000	3,688		(131)	8,962	1,372	10,334
MOVEMENTS DURING 2018									
RESTATED									
Net profit/(loss)				1,308			1,308	142	1,450
Change in cumulative translation adjustment					(21)		(21)		(21)
Other recognised income and expense					32		32	(3)	29
TOTAL RECOGNISED INCOME AND EXPENSE^d				1,308		11	1,319	139	1,458
Capital and reserves transactions, net		169					169		169
Acquisitions and disposals of treasury shares				(8)			(8)		(8)
Acquisitions and disposals with no change of control				1			1		1
Dividend paid			(518)	(102)			(620)	(92)	(712)
Share-based payments				12			12	2	14
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items) ^b			(1)	(195)		8	(188)	(36)	(224)
POSITION AT 31 DECEMBER 2018									
RESTATED^b		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
Change in cumulative translation adjustment		5.3			141 ^c		141	3 ^c	144
Other recognised income and expense		5.3			(200)		(200)	(22)	(222)
TOTAL RECOGNISED INCOME AND EXPENSE^d				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		5.5		3			3	(2)	1
Dividend paid				(631)			(631)	(79)	(710)
Share-based payments		5.4		16			16	2	18
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)		5.5		61			61	(28)	33
POSITION AT 31 DECEMBER 2019									
		2,749	2,736	5,091		171	10,405	1,395^e	11,800

a Shareholders' equity as of 31 December 2017 has been restated for the effects of applying IFRS 9, IFRS 15 and IFRS 16.

b Shareholders' equity as of 31 December 2018 has been restated for the effects of applying IFRS 16.

c Change in translation reserve:

Attributable to:	Group	Non-controlling interests	Total
Controlled entities	52	3	55
Joint ventures and associates	89		89
	141	3	144

d See statement of recognised income and expense.

e Of which TFI: €884 million and Bouygues Telecom: €363 million.

7.1.5 Consolidated cash flow statement

	Note	2019	Full year 2018 restated ^a
(€ million)			
I - CASH FLOW FROM CONTINUING OPERATIONS			
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
Net profit/(loss) from continuing operations	17.1	1,320	1,450
Adjustments:			
Share of profits/losses reverting to joint ventures and associates, net of dividends received		101	(185)
Dividends from non-consolidated companies		(10)	(32)
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		1,753	1,762
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		342	319
Gains and losses on asset disposals		(222)	(422)
Income taxes, including uncertain tax positions	15	452	426
Income taxes paid		(422)	(520)
Miscellaneous non-cash charges		18	(89)
CASH FLOW AFTER INCOME FROM NET SURPLUS CASH/COST OF NET DEBT, INTEREST EXPENSE ON LEASE OBLIGATIONS AND INCOME TAXES PAID	17.1	3,332	2,709
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		264	273
Changes in working capital requirements related to operating activities (including current impairment and provisions) ^b	17.1	(223)	(399)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		3,373	2,583
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant and equipment and intangible assets	17.1	(1,853)	(2,178)
Proceeds from disposals of property, plant and equipment and intangible assets	17.1	251	605
Net liabilities related to property, plant and equipment and intangible assets		(26)	(165)
Purchase price of non-consolidated companies and other investments		(6)	(31)
Proceeds from disposals of non-consolidated companies and other investments		13	65
Net liabilities related to non-consolidated companies and other investments		(10)	15
Purchase price of investments in consolidated activities	22.1	(225)	(1,568)
Proceeds from disposals of investments in consolidated activities	22.1	1,183	113
Net liabilities related to consolidated activities	22.1	(1)	(1)
Other effects of changes in scope of consolidation: cash of acquired and divested companies	22.1	8	(11)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		64	72
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		(602)	(3,084)
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES			
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		170	(22)
Dividends paid to shareholders of the parent company		(631)	(620)
Dividends paid by consolidated companies to non-controlling interests		(79)	(92)
Change in current and non-current debt	9	(1,041)	(161)
Repayment of lease obligations	17.1	(351)	(310)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(264)	(273)
Other cash flows related to financing activities		1	3
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		(2,195)	(1,475)
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	9	88	54
CHANGE IN NET CASH POSITION (A + B + C + D)		664	(1,922)
NET CASH POSITION AT START OF PERIOD	9	2,690	4,611
Net cash flows	9	664	(1,922)
Non-monetary flows			
HELD-FOR-SELL OPERATION			1
NET CASH POSITION AT END OF PERIOD	9	3,354	2,690
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SELL OPERATIONS			
NET CASH POSITION AT START OF PERIOD		(1)	9
Net cash flows		1	(10)
NET CASH POSITION AT END OF PERIOD		(1)	

a The full-year 2018 cash flow statement has been restated for the effects of applying IFRS 16.

b 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

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Note 1 Significant events of the year

1.1 Scope of consolidation as of 31 December 2019

1,230 entities were consolidated as of 31 December 2019, versus 1,229 as of 31 December 2018.

31 December	2019	2018
Companies controlled by the Group	811	846
Joint operations	194	178
Investments in joint ventures and associates	225	205
	1,230	1,229

1.2 Significant events

1.2.1 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. Following completion of the 12-month purchase price allocation period, the provisional goodwill became final and amounted 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 is claiming an amount of CHF 205.1 million (€189 million), while Alpiq is claiming a payment of CHF 12.9 million (€12 million). No gains have been recognised in respect of the claims.
- 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 reduces 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. Following completion of the initial

purchase price allocation, provisional goodwill amounted to €39 million as of 31 December 2019.

- 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. Following completion of the initial purchase price allocation, provisional goodwill amounted to €14 million as of 31 December 2019.
- On 10 July 2019, the Annual General Meeting of Alstom shareholders approved 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 of €1,079 million before costs), through a placement by way of an accelerated book-building with institutional investors. A net gain of €172 million has been 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 continues to be accounted for by the equity method in "Investments in joint ventures and associates" as of 31 December 2019, significant influence having been maintained due to the presence of two directors (Bouygues SA and Olivier Bouygues) on the Alstom Board of Directors. 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 (including the commitment to buy out the residual 49% interest in stages between 2022 and 2026) was €78 million. Following completion of the initial purchase price allocation, provisional goodwill amounted to €14 million as of the acquisition date.

1.2.2 Reminder of the significant events of 2018

The principal corporate actions and acquisitions of 2018 are described below:

- On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the "New Deal Mobile" agreement with the four mobile operators, aimed at extending quality mobile coverage to the French population. The desired objective of digital roll-out across French territory 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 current licences expire in 2022 (2100 MHz band) and in 2024 (900 MHz and 1800 MHz bands), Arcep (in decision No. 2018-0680 of 3 July 2018) amended the existing frequency licences to incorporate the new roll-out requirements. Subsequently (in decision No. 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. In parallel, on 28 September 2018 the French government issued a new decree on licence fees, which stabilises the level of such fees from now on. Consequently, Bouygues Telecom reversed out an

accrued expense recognised from 2014 to 2017, which covered the risk of a rise in the fixed portion of the 1800 MHz frequency licence fee. The accrued expense, amounting to €110 million, was reversed out in the third quarter of 2018 and recognised in "Other operating income" in the consolidated income statement.

- On 17 January 2018, an agreement was signed for the acquisition by the TF1 group of the Axel Springer group's majority equity interest of 78.07% in the Aufeminin group, which in its financial year ended 31 December 2017 generated sales of €113 million and an operating profit of €12 million. The acquisition was completed on 27 April 2018 at a price of €39.47 per share, or €294 million in total. On 22 May 2018, TF1 filed a mandatory simplified tender offer for the remaining shares at the same price. That offer closed on 4 July 2018, and was followed by a squeeze-out procedure filed on 3 October 2018. Having been approved on 16 October 2018, the squeeze-out was launched on 19 October 2018 and closed on 1 November 2018, giving the TF1 group 100% of the shares and voting rights of the Aufeminin group. As of the date control was obtained, net debt increased by €332 million, and provisional goodwill after the purchase price allocation amounted to €204 million. On completion of the 12-month purchase price allocation period, that provisional goodwill became final.
- In line with the memorandum of understanding signed on 30 August 2017, Colas completed the acquisition of the entire share capital of the Miller McAsphalt group on 28 February 2018. The Miller McAsphalt group is a major player in road construction and bitumen distribution in Canada, with a particularly strong presence in Ontario. Over the previous three years, it had generated average annual sales of approximately CAD 1.3 billion; it employs 3,300 people. The purchase price paid on the completion date was CAD 953 million, equivalent to €611 million. Out of the total purchase price, €410 million was financed by debt. As of the date control was obtained, net debt increased by €555 million, and provisional goodwill after the purchase price allocation amounted to €90 million. On completion of the 12-month purchase price allocation period, that provisional goodwill became final.
- On 26 March 2018, Bouygues Construction and Colas announced the acquisition of the entire share capital of Alpiq Engineering Services, which specialises in hard and soft services in construction and in energy, industrial and transport infrastructures. Alpiq Engineering Services employs nearly 7,650 people and generated sales of approximately CHF 1.7 billion in 2017, mainly in Switzerland (57%), Germany (24%) and Italy (12%). Following clearance from the European and Swiss competition authorities on 11 July 2018, the acquisition was completed on 31 July 2018 on the basis of an enterprise value of CHF 850 million (CHF 700 million for Bouygues Construction and CHF 150 million for Colas Rail). As of the date control was obtained, net debt increased by €619 million, and provisional goodwill after the purchase price allocation amounted to €563 million. On completion of the 12-month purchase price allocation period, that provisional goodwill became final, amounting to €640 million as of 31 December 2019.
- Under the agreement of 31 January 2017 between Bouygues Telecom and Cellnex (Spain), transfers of the 1,800 existing telecoms sites continued during 2018. As of 31 December 2017, 715 sites were presented in the balance sheet in "Held-for-sale assets and operations", at a carrying amount of €38 million. During 2018, 964 sites were transferred, including those covered by the agreement mentioned above, for €273 million, and there were no longer any held-for-sale assets as of 31 December 2018. This sale generated a gain on disposal of €196 million, recognised within "Other operating income" in the

consolidated income statement. The sale of the 1,200 new sites is being spread over a five-year period as and when the sites are constructed.

- The TF1 group and the non-controlling shareholders of Newen Studios, a 70%-owned subsidiary of TF1, signed an agreement on 5 April 2018 with a view to the acquisition by TF1 of the remaining 30% of the share capital and voting rights, giving TF1 100% of Newen Studios. This transaction took place on 5 July 2018, following clearance from the French Competition Authority on 3 July 2018. The additional acquisition, amounting to €96 million, had already been recognised as a financial liability as of 31 December 2017.
- On 28 May 2018, Bouygues Construction announced the acquisition of 100% of AW Edwards, a well-established Australian construction company. The acquisition, finalised on 5 July 2018, marks a further step in the Group's development strategy in Australia, and strengthens its position in the construction market. The company generated sales of AUD 277 million in 2017 and employs 250 people. As of the date control was obtained, provisional goodwill of €43 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was immaterial. On completion of the 12-month purchase price allocation period, that provisional goodwill became final.
- On 17 July 2018, the Alstom shareholders approved resolutions relating to the proposed merger between Alstom and the Siemens Mobility businesses. The merger was subject to clearance from the competition authorities, and was expected to be finalised in the first half of 2019. The Alstom shareholders also approved the renewal of the terms of office as Directors of Olivier Bouygues and Bouygues SA (standing representative: Philippe Marien). On 17 July 2018, the commitment by Bouygues to retain its Alstom shares (as described in the consolidated financial statements for the year ended 31 December 2017) ended. 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 25 October 2018, Bouygues Telecom announced that it was in exclusive negotiations with a view to acquiring a 43.6% equity interest in the business-to-business telecoms operator Keyyo Communications. In 2017, Keyyo generated sales of €24 million and EBITDA of €4 million.
- On 19 November 2018, a potential purchaser signed an undertaking to buy Smac (the waterproofing activity of Colas, representing sales of approximately €600 million), expiring seven months later. As of 31 December 2018, the assets and liabilities of Smac were presented in the balance sheet within "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations".
- On 12 December 2018, Axione (a Bouygues Construction subsidiary) and its financial partner Mirova signed a new contract to install and operate fibre optic (FTTH) in very dense areas, following a tendering procedure launched by Bouygues Telecom. Under the terms of the contract, Axione and Mirova set up CityFast, an access service provider, to whom Bouygues Telecom transferred its existing fibre optic infrastructures in very dense areas for €46 million. This transaction generated a gain of €34 million, recognised in "Other operating income".
- On 31 December 2018, Bouygues Construction sold a 49% equity interest in Axione. The shareholder agreement provides for joint control of Axione, which since that date has been accounted for by the equity method. The overall gain arising on the sale (excluding transaction costs and taxes) amounted to €106 million, comprising a €52 million gain on the sale of the 49% interest and €54 million for the remeasurement of the retained 51% equity interest.

1.3 Significant events and changes in scope of consolidation subsequent to 31 December 2019

- On 20 January 2020, Bouygues Construction extended the arbitration proceedings against Alpiq (Note 1.2) by increasing the amount of its initial claim, from CHF 205 million to CHF 319 million (€297 million) plus interest. A decision from the arbitration panel is not expected until 2022 at the earliest.
- 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. A number of hardware and software systems were put back into service very quickly. As these were being restored, the security of the entire IT system was strengthened with

help from experts both within and outside the Group. There was a very low impact on the operational and commercial activity of worksites. The relevant insurance policies have been activated and a complaint has been filed with the competent authorities.

- 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 price for 100% of Bombardier Transportation's shares will be settled partly in cash, and partly in newly-issued Alstom shares. Closing of the transaction is expected in the first half of 2021. Bouygues has expressed its support for the deal and has committed to vote in favour of all related resolutions at the Extraordinary General Meeting to be held no later than 31 October 2020. Bouygues has also committed to remaining a shareholder of Alstom until the earlier of that meeting or 31 October 2020. On completion, Bouygues would have an equity interest of approximately 10% 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 14.67% as of 31 December 2019.

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 19 February 2020, and will be submitted for approval by the forthcoming Annual General Meeting on 23 April 2020.

The consolidated financial statements for the year ended 31 December 2019 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 2018, restated to take account of the first-time application of IFRS 16 and IFRIC 23 as of 1 January 2019 (see Note 24).

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2019 as were applied in its consolidated financial statements for the year ended 31 December

2018, except for changes required to meet new IFRS requirements applicable from 1 January 2019 (see below).

- Principal new standards and interpretations effective within the European Union and mandatorily applicable from 1 January 2019:

■ IFRS 16: Leases

On 13 January 2016, the IASB issued IFRS 16, "Leases", replacing IAS 17 and the associated IFRIC and SIC interpretations. The new standard was endorsed by the European Union on 31 October 2017 and is applicable from 1 January 2019. Bouygues did not early adopt IFRS 16, and for first-time application elected the retrospective approach with presentation of a comparative period.

The impacts of applying IFRS 16 on the financial statements for the year ended 31 December 2018 are presented in Note 24.

■ IFRIC 23: Uncertainty Over Income Tax Treatments

On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23, clarifying the accounting treatments used to recognise the fiscal consequences of uncertainties relating to income taxes. IFRIC 23 was endorsed by the European Union on 23 October 2018 and became applicable on 1 January 2019; the Group did not elect early adoption.

The impacts of applying IFRIC 23 on the consolidated financial statements for the year ended 31 December 2018 are not material, and are presented in Note 24.

- 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.); the assessment of contracts to determine whether they contain a lease; leases (lease terms and incremental borrowing rates, as described respectively in Note 2.7.2. and Note 2.11.2); and end-of-contract margins on construction and property development contracts (see Note 2.13.2).

Where no standard or interpretation applies to specific transactions, events or conditions, Group management exercises its judgement to define and apply 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 discontinued or held-for-sale 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.

An operation that is discontinued or classified as held-for-sale is one that is material to the Group (having been treated as a cash generating unit) and that has either been disposed of or has been classified as a held-for-sale asset. Income statement and cash flow information about such discontinued or held-for-sale 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 Group

Companies over which Bouygues exercises control are consolidated.

● Assessment of control over TF1:

As of 31 December 2019 Bouygues held, directly or indirectly, 43.73% of the capital and voting rights of TF1. All the factors mentioned below, taken collectively, establish that the Bouygues group has 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 43.73% 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, given that both members of the Selection and Remuneration Committee are representatives of the Bouygues group.

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 accounted for 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 accounted for 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 2.7.4 ("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 2019, the temporary differences and tax losses available for carry-forward of French entities were measured at the following enacted or substantively enacted rates, according to the period in which they are expected to reverse:

- 32.02% for 2020;
- 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 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.

The Group will monitor market practice on implementing the IFRIC final agenda decision of 26 November 2019, and assess the impact on the lease terms applied under IFRS 16.

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
 - Development expenses are capitalised if the IAS 38 criteria are met, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.
 - In accordance with IFRS, incorporation and research expenses are expensed as incurred.
- Concessions, patents and similar rights

These 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

a UMTS licence awarded in 2002: amortised from the date on which the broadband network opened (26 May 2005).

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.

The fee for the UMTS licence, awarded for a 20-year period, comprises:

- a fixed component of €619 million, recognised as an intangible asset on the date the licence was awarded (12 December 2002);
- 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).

2.7.4 Other intangible assets

Other intangible assets recognised by the Group include in particular 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 Droits Audiovisuels and TF1 Entertainment; audiovisual rights produced by Newen Studios; and music rights owned by Une Musique.

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, in line with the expected pattern of consumption of future economic benefits;
- 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. Impairment testing of audiovisual rights is 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.
 - 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 both 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 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. An impairment loss is recognised if the carrying amount of the investment exceeds its recoverable amount; this loss is charged against the carrying amount of the investment, and may be reversed.

In principle, the investment in Alstom is tested for impairment using the quoted market price or, if that is less than the carrying amount, value in use determined using the discounted cash flow (DCF) method based on projections established by Bouygues management, which in turn are 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 Bouygues 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 if they are recoverable. If the probability of the programme being completed becomes low, especially if there is a risk of withdrawal or refusal of 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 recorded in "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%	-

"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 to the financial statements, 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:

- customer contract origination costs (mainly at Bouygues Telecom), which represent 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), representing 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, waterproofing and railways 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 currency risk hedging purposes; interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes; and forward commodity purchases and sales, commodity swaps and commodity options for commodities risk hedging purposes.

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 order 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 lease payments (including in-substance fixed lease 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, Bouygues 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 plans are managed by independent pension fund managers; only a limited number of employees are involved, as it was decided some years ago to close these plans to new entrants. The fair value of the assets held to cover these plans as of the end of the

reporting period did not require any material impairment to be recognised in the consolidated financial statements.

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. These assumptions are internally consistent. 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 where they relate to the pension obligation, and in profit or loss where 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 businesses

Revenue generated by construction businesses corresponds to the latest estimate of the total selling price of the contract, after taking account of claims that have been accepted by the client 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 costs to completion 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.

Bouygues Telecom

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.

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 sale of the handset 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 receivable 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 Bouygues 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 consolidated cash flow statement is presented in accordance with the amended IAS7 and with ANC Recommendations 2013-03 of 7 November 2013 (using the indirect method) and 2016-01 of 2 December 2016. 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" is defined as "Current operating profit after Leases" (i.e. current operating profit after taking account of interest expense on lease obligations), before (i) net depreciation and amortisation expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and 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.

In 2018, the tax-exempt competitiveness and employment tax credit (CICE) to which French companies were entitled was recognised in current operating profit, as a reduction in personnel costs. With effect from 1 January 2019, the CICE was replaced by a reduction in personnel costs, which increases the tax base and hence the amount of income tax expense.

"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 (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 after changes in working capital requirements

"Free cash flow after changes in working capital requirements" 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 after 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/liabilities related to property, plant and equipment and intangible assets.

Note 3 Non-current assets

For a breakdown of non-current assets by business segment, see Note 17.

3.1 Acquisitions of non-current assets during the year, net of disposals

	2019	2018 restated
Property, plant and equipment	1,529	1,880
Intangible assets	324	298
Capital expenditure	1,853	2,178
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	231 ^a	1,599 ^c
Acquisitions of non-current assets	2,084	3,777
Disposals of non-current assets	(1,447) ^b	(783) ^d
Acquisitions of non-current assets, net of disposals	637	2,994

a Includes €114m of acquisitions by Bouygues Telecom (primarily Keyyo for €57m and Nerim €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).

b Disposals during 2019 mainly comprise the partial divestment (13%) of the equity interest in Alstom for €1,064m net of costs, and the disposal of sites, towers and fibre optic infrastructure by Bouygues Telecom for €92m.

c Includes €807m of acquisitions by Colas (primarily Miller McAsphalt group for €611m and Alpiq Engineering Services for €127m); €455m by Bouygues Construction (primarily Alpiq Engineering Services for €316m and AW Edwards for €120m); and €329m TF1 (primarily the Aufeminin group for €294m).

d Disposals during 2018 were the following: sites, towers and fibre optic infrastructure by Bouygues Telecom for €344m.

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					
31/12/2017 restated	2,396	12,899	3,209	425	18,929
Movements during 2018					
Translation adjustments	6	20	2	(1)	27
Changes in scope of consolidation	238	244	198	6	686
Acquisitions during the period	61	1,094	366	359	1,880
Disposals, transfers and other movements	(29)	(1,250)	(423)	(276)	(1,978)
31/12/2018 restated	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
Depreciation and impairment					
31/12/2017 restated	(968)	(8,970)	(2,418)		(12,356)
Movements during 2018					
Translation adjustments	(4)	(19)	(3)		(26)
Changes in scope of consolidation	(19)	(127)	(115)		(261)
Net expense for the period	(83)	(923)	(304)		(1,310)
Disposals, transfers and other movements	31	1,306	399		1,736
31/12/2018 restated	(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)
Carrying amount					
31/12/2018 restated	1,629	4,274	911	513	7,327
31/12/2019	1,616	4,455	895	536	7,502

Operating commitments not yet recognised involving future outflows of resources

	Falling due			Total 2019	Total 2018 restated
	Less than 1 year	From 1 to 5 years	More than 5 years		
Colas: orders in progress for plant and equipment	17			17	20
Bouygues Telecom: orders in progress for network equipment assets	98	297		395	520
TOTAL	115	297		412	540

3.2.2 Right of use of leased assets

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
Gross value				
31/12/2017 restated	1,160	1,194	145	2,499
Movements during 2018				
Translation adjustments	4	(3)	(1)	
Changes in scope of consolidation	45	82	17	144
New leases, lease modifications, and other lease-related movements	67	34	51	152
31/12/2018 restated	1,276	1,304	209	2,789
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	68	63	60	191
31/12/2019	1,362	1,377	275	3,014
Amortisation and impairment				
31/12/2017 restated	(535)	(455)	(69)	(1,059)
Movements during 2018				
Translation adjustments	(2)	2		
Changes in scope of consolidation	6	(30)		(24)
Net expense for the period	(146)	(141)	(28)	(315)
New leases, lease modifications, and other lease-related movements	88	45	34	167
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	(657)	(635)	(88)	(1,380)
Carrying amount				
31/12/2018 restated	687	725	146	1,558
31/12/2019	705	742	187	1,634

3.2.3 Intangible assets

	Development expenses ^a	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31/12/2017 restated	297	2,827	3,256	6,380
Movements during 2018				
Translation adjustments		(1)	(2)	(3)
Changes in scope of consolidation		83	4	87
Acquisitions during the period	67	33	238	338
Disposals, transfers and other movements	(7)	202	(177)	18
31/12/2018 restated	357	3,144	3,319	6,820
Movements during 2019				
Translation adjustments		3	9	12
Changes in scope of consolidation	4	(4)	399	399
Acquisitions during the period	66	29	229	324
Disposals, transfers and other movements	6	166	(108)	64
31/12/2019	433	3,338	3,848	7,619
Amortisation and impairment				
31/12/2017 restated	(181)	(1,480)	(2,587)	(4,248)
Movements during 2018				
Translation adjustments		1		1
Changes in scope of consolidation		(2)	62	60
Net expense for the period	(25)	(173)	(271)	(469)
Disposals, transfers and other movements		32	2	34
31/12/2018 restated	(206)	(1,622)	(2,794)	(4,622)
Movements during 2019				
Translation adjustments		(2)	(2)	(4)
Changes in scope of consolidation	(3)	5	(357)	(355)
Net expense for the period	(33)	(173)	(276)	(482)
Disposals, transfers and other movements		8	13	21
31/12/2019	(242)	(1,784)	(3,416)	(5,442)
Carrying amount				
31/12/2018 restated	151	1,522	525	2,198
31/12/2019	191	1,554 ^b	432 ^c	2,177

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 €63m in 2019 and €74m in 2018.

b Includes for Bouygues Telecom: €106m for the UMTS licence, €680m for the 2.6 GHz and 800 MHz frequency user licence, and €458m for the 700 MHz spectrum frequency user licence.

c Includes €157m for audiovisual rights at TF1.

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			Total 2019	Total 2018 restated
	Less than 1 year	From 1 to 5 years	More than 5 years		
Audiovisual rights	39	3		42	49
TOTAL	39	3		42	49

3.2.4 Goodwill

	Gross value	Impairment	Carrying amount
31/12/2017 restated	5,457	(72)	5,385
Movements during 2018			
Changes in scope of consolidation	902	5	907
Impairment losses			
Other movements (including translation adjustments)	9		9
31/12/2018 restated	6,368	(67)	6,301
Movements during 2019			
Changes in scope of consolidation	179	17	196
Impairment losses charged during the period		(2)	(2)
Other movements (including translation adjustments)	46		46
31/12/2019	6,593	(52)	6,541

For 2019, the "Changes in scope of consolidation" line mainly comprises goodwill of €36m on the acquisition of Keyyo and €39m on the acquisition of Nerim (Bouygues Telecom); €77m for an additional adjustment to the Alpiq Engineering Services opening balance sheet (Bouygues Construction and Colas), mainly relating to employee benefit obligations (see Note 20.3); and goodwill of €14m on the acquisition of De Mensen and €14m on the acquisition of Reel One (TF1).

The table below shows how provisional or final goodwill as at 31 December 2019 was determined for significant acquisitions made since 31 December 2017 (including adjustments made during the 12-month purchase price allocation period).

CGU	Miller McAsphalt	Alpiq Engineering Services	Aufeminin	De Mensen	Reel One	Keyyo	Nerim
	Colas	Bouygues Construction/ Colas	TF1	TF1	TF1	Bouygues Telecom	Bouygues Telecom
Purchase price (I)	611	443	294	19	32	57	55
Net assets acquired, excluding goodwill (II)							
Non-current assets	(282)	(211)	(11)	(10)	(20)	(10)	(13)
Current assets	(279)	(524)	(100)	(20)	(55)	(13)	(6)
Non-current liabilities	54	115	44	2		7	
Current liabilities	119	817	9	22	50	10	9
Purchase price allocation (III)							
Remeasurement of acquired intangible assets	(103)		(77)	(4)	(13)	(15)	(9)
Remeasurement of acquired property, plant and equipment		(67)				(7)	
Remeasurement of assumed liabilities (deferred taxes & other)	37		20	1	3	7	3
Unacquired portion							
Goodwill (I)+(II)+(III)	90^a	640^a	204^a	14	14	36^a	39
Translation adjustments	6	28			1		
Goodwill at 31/12/2019	96	668	204	14	15	36	39

a Provisional goodwill that became final during 2019.

For goodwill on joint ventures and associates, see Note 3.2.6.

3.2.4.1 Consolidated carrying amount of listed shares as of 31 December 2019

€	Consolidated carrying amount per share	Closing market price per share on 31/12/2019
Colas	107.36	140.80
TF1	13.61	7.40

3.2.4.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	31/12/2019		31/12/2018 restated	
	Total	Bouygues or subsidiaries	Total	Bouygues or subsidiaries
Bouygues Construction ^a	1,088	99.97%	975	99.97%
Colas ^b	1,316	96.66%	1,292	96.65%
TF1 ^b	1,414	43.73%	1,386	43.80%
Bouygues Telecom ^b	2,723	90.53%	2,648	90.53%
TOTAL	6,541		6,301	

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 2019

- 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 subsidiaries as

presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA.

- 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 2019 were as follows:

	Discount rate		Perpetual growth rate
	Scenario 1 ^a	Scenario 2 ^a	
Bouygues Construction	5.7%	5.4%	2.0%
Colas	5.7%	5.4%	2.0%
TF1	6.4%	6.0%	1.4%
Bouygues Telecom	4.0%	3.9%	2.0%

a Depending on the capital structure: $\frac{1}{3}$ debt - $\frac{2}{3}$ equity (scenario 1); $\frac{2}{3}$ debt - $\frac{1}{3}$ equity (scenario 2).

For both Bouygues Construction and Colas, there is no reasonably possible scenario that would cause the recoverable amount of the assets to fall below their carrying amount. Consequently, the assumptions used for business plans and 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 pulling 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;

- delivering a high-performance digital offering, in particular through the development of Unify;

- ongoing build-up of Newen to reinforce the production side, in France and internationally;

- opening up new distribution channels (platformization, OTT) via the makeover of the MYTF1 website and TF1's involvement in the Salto project, and through data mining;

■ double-digit current operating margin in 2020;

■ cost of programmes of €985 million in 2020;

■ improvement in ROCE ^a in 2021 relative to the 2018 level, and revenue of at least €250 million and EBITDA margin of at least 15% for the Unify Digital division.

● Assumptions used in the Bouygues Telecom business plan:

■ The normative cash flows used for Bouygues Telecom rely on the following assumptions:

- growth of approximately 5% in sales from services in 2020;

- ongoing investment in very high speed mobile and fixed broadband, translating into:

a ROCE = the ratio of [current operating profit - theoretical income tax expense + net profit from associates] for a given year to average capital employed that year and the previous year. Capital employed = shareholders' equity including non-controlling interests + net debt at period-end.

- €1.1 to €1.2 billion of capital expenditure in 2020 (excluding frequency licences) to increase 4G mobile capacity and start the rollout of 5G;
- pragmatic infrastructure management, with self-funded investment in key infrastructure backed by sharing, rental or divestment of less strategic infrastructure, with two new major projects in 2020 in particular (Projects Saint Malo and Astérix);
- profitable growth momentum, generating free cash flow (after changes in working capital related to operating activities) of more than €300 million in 2020;
- the impact of the expected acquisition of 5G frequencies in 2020, which has also been built into the valuation of the assets tested.

SENSITIVITY ANALYSIS

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 these CGUs, recoverable amount would equal the carrying amount of the assets tested if the two scenarios 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
TF1	10.1%	(48.1)%	(52.6)%	(2.8)%	(3.3)%
Bouygues Telecom	6.4%	(56.1)%	(59.9)%	(0.5)%	(0.7)%

a Depending on the capital structure: $\frac{1}{3}$ debt - $\frac{2}{3}$ equity (scenario 1); $\frac{2}{3}$ debt - $\frac{1}{3}$ 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 greater than the carrying amount by €617 million under scenario 1, and by €865 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 €1,673 million under scenario 1 and by €2,021 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 greater than the carrying amount by

€1,508 million under scenario 1 and by €2,089 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 €4,008 million under scenario 1 and by €4,746 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 2019, these comprised:

- investments in joint ventures and associates (accounted for by the equity method): €1,556 million;

- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc): €487 million;
- deferred tax assets: €342 million.

	Joint ventures and associates	Investments in non-consolidated companies	Other non-current financial assets	Total	Amortisation and impairment	Carrying amount	Deferred tax assets
31/12/2017 restated	2,542	157	453	3,152	(82)	3,070	333
Movements during 2018							
Translation adjustments	(21)		1	(20)		(20)	(1)
Changes in scope of consolidation	11		23	34	6	40	(1)
Acquisitions and other increases		24	7	31		31	
Amortisation and impairment, net		(1)		(1)	2	1	
Disposals and other reductions		(75)		(75)		(75)	
Transfers and other movements	136	5	(20)	121	1	122	(5)
31/12/2018 restated	2,668	110	464	3,242	(73)	3,169	326
AMORTISATION & IMPAIRMENT	(35)		(38)	(73)			
CARRYING AMOUNT 31/12/2018 restated	2,633	110	426	3,169			326

	Investments in joint ventures and associates ^a	Investments in non-consolidated companies	Other non-current financial assets	Total	Amortisation and impairment	Carrying amount	Deferred tax assets ^b
31/12/2018 restated	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^c	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 Includes goodwill on associates: €610m as of 31 December 2019.

b See Note 7.

c Includes €974m for Alstom (see Note 3.2.6.2).

3.2.6 Joint ventures and associates

	Share of net assets held	Share of profit/(loss) for period ^a	Goodwill on associates	Carrying amount
31/12/2017 restated	1,381	165	956	2,502
Movements during 2018				
Translation adjustments	(22)		1	(21)
Acquisitions and share issues				
Net profit/(loss) for the period		304	(2)	302
Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements	(50)	(165)	65	(150)
31/12/2018 restated	1,309	304	1,020	2,633
Movements during 2019				
Translation adjustments	89			89
Acquisitions and share issues				
Net profit/(loss) for the period		352	(2)	350
Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements	(804)	(304)	(408)	(1,516)
31/12/2019	594	352	610	1,556 ^b

a Excluding impairment losses on goodwill.

b Includes €974m for Alstom (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 25.

The carrying amount of investments in joint ventures and associates has decreased by €1,077 million, mainly as a result of changes in scope of consolidation (primarily Alstom).

As of 31 December 2019, the total carrying amount of €1,556 million included €363 million for joint ventures (see Note 3.2.6.1) and €1,193 million for investments in associates (see Note 3.2.6.2).

3.2.6.1 Joint ventures

	31/12/2018 restated	Net movement in 2019	31/12/2019	of which: share of profit/loss and impairment losses
Miscellaneous joint ventures	285	(5)	280	(4)
Axione	76	7	83	4
TOTAL	361	2	363	

"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

Principal associates:

	31/12/2018 restated	Net movement in 2019	31/12/2019	of which: share of profit/loss and impairment losses
Alstom	2,087	(1,113)	974	238
Bouygues Construction				
Concession companies	20	(11)	9	78
Miscellaneous associates	2	1	3	1
Colas				
Tipco Asphalt (Thailand)	109	22	131	28
Miscellaneous associates	46	17	63	5
TF1				
Miscellaneous associates	1	1	2	(1)

	31/12/2018 restated	Net movement in 2019	31/12/2019	of which: share of profit/loss and impairment losses
Other associates	7	4	11	1
TOTAL	2,272	(1,079)	1,193	350

ALSTOM

Given the difference between the annual accounting period-ends of Alstom (31 March) and of Bouygues (31 December), no contribution from Alstom to the net profit of Bouygues was recognised in the fourth quarter of 2019.

Alstom's contribution to the net profit of Bouygues for the 2019 financial year includes (i) €238 million in respect of the results published by Alstom for the second half of its 2018/2019 financial year and the first half

Summary information about the assets, liabilities, income and expenses of Alstom:

Amounts shown are for 100% of Alstom	Alstom	
	30/09/2019	31/03/2019 restated*
Non-current assets	4,758	4,313
Current assets	8,197	9,090
Held-for-sale assets		7
TOTAL ASSETS	12,955	13,410
Shareholders' equity	3,135	4,159
Non-current liabilities	1,469	1,186
Current liabilities	8,351	8,059
Liabilities related to held-for-sale assets		6
TOTAL LIABILITIES	12,955	13,410
SALES	4,140	8,072
ADJUSTED OPERATING PROFIT	319	570
NET PROFIT	230	693
NET PROFIT ATTRIBUTABLE TO THE GROUP	227	681

a The financial statements as of 31 March 2019 have been restated for the first-time application of IFRS 16.

Reconciliation to the carrying amount of the interest held by the Bouygues group:

	31/12/2019	31/12/2018 restated
ALSTOM: SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AS PUBLISHED	3,072	3,965
Share attributable to Bouygues (14.67% as of 31/12/2019)	451	1,102
Fair value remeasurements and goodwill recognised at Bouygues group level	523	985
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS	974	2,087

Given the time-lag in publication, the amounts reported as of 31 December 2019 are based on the figures published by Alstom as of 30 September 2019.

INFORMATION ABOUT IMPAIRMENT TESTING OF THE INVESTMENT IN ALSTOM AS OF 31 DECEMBER 2019

At the end of 2019, the quoted market price (€42.23) was 43% higher than the consolidated carrying amount (€29.56), so the DCF calculation was

not performed. This approach is confirmed by the median consensus forecast for the Alstom share price as of 17 February 2020 (€47.28).

CONCLUSION ON IMPAIRMENT TESTING

The recoverable amount determined on the basis of the quoted market price as of 31 December 2019 is greater than the carrying amount of the Bouygues group's investment in Alstom. No impairment loss is required to be recognised.

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:

Investment	31/12/2019		31/12/2018 restated	
	Fair value	% interest	Fair value	% interest
French companies				
Colas				
Asphalt, binder and quarry companies ^a	8		15	
TF1				
Studio71	9	6%	28	6%
SUB-TOTAL	17		43	
Foreign companies				
Bouygues Construction				
Cross Yarra Partnership (Australia)	16	10%	14	10%
Lumesa (Switzerland)		Disposal	3	47%
Ravinala Airport SA	2	10%		
TF1				
Wibbitz (Israel)		7.84%	4	7.84%
Colas				
Asphalt, binder and quarry companies ^a	1		1	
SUB-TOTAL	19		22	
Other investments ^a	53		45	
TOTAL	89		110	

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 2019 was a decrease of €21 million. The main movements in the year were fair value remeasurements via equity of TF1's investment in Studio71.

The table below shows information about other non-current financial assets as of 31 December:

	31/12/2019	31/12/2018 restated
• Advances to non-consolidated companies	81	103
• Loans receivable	186	175
▪ Deposits and caution money paid (net)	103	106
▪ Mutual funds	24	24
▪ Other investments with carrying amounts of less than €2 million individually	4	18
• Other long-term investments	131	148
Other non-current financial assets	398	426

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
31/12/2018 restated	67	85	384	536
Movements during 2019	(18)	(16)	(15)	(49)
31/12/2019	49	69	369	487
Due within less than 1 year			13	13
Due within 1 to 5 years			45	45
Due after more than 5 years	49	69	311	429

a Mainly relates to investments in non-consolidated companies (€24m at 31 December 2019) and other long-term investments (€25m at 31 December 2019), 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 (€65m at 31 December 2019), 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): prices 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 certain investments in non-consolidated companies.

	LEVEL 1 Quoted prices	LEVEL 2 Observable inputs	LEVEL 3 Unobservable inputs	31/12/2019
Financial assets at fair value through OCI ^a			49	49
Financial assets at fair value through profit or loss			69	69
Net cash position	3,354			3,354
Financial instruments (net) and other current financial assets and liabilities	(61)			(61)

a Movements recognised in "Other Comprehensive Income" (consolidated statement of recognised income and expense).

Note 4 Current assets

4.1 Inventories

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment ^a	Carrying amount	Gross value	Impairment ^a	Carrying amount
Property development inventories	1,694	(128)	1,566 ^b	1,624	(116)	1,508
Raw materials and finished goods	1,240	(75)	1,165	1,206	(66)	1,140
Programmes and broadcasting rights	650	(142)	508	667	(161)	506
TOTAL	3,584	(345)	3,239	3,497	(343)	3,154

a Includes:

- impairment losses charged in the period (106) (95)
- impairment losses reversed in the period 104 91

b Includes Bouygues Immobilier: properties under construction €1,412m; completed properties €85m.

Operating commitments not yet recognised involving future outflows of resources

TF1	Falling due			31/12/2019	31/12/2018 restated
	Less than 1 year	From 1 to 5 years	More than 5 years		
Programmes and broadcasting rights	467	642	11	1,120	1,416
Sports transmission rights	55	109	7	171	159
FUTURE PROGRAMMING SCHEDULES ^a	522	751	18	1,291	
Total 31/12/2018 restated	541	1,009	25		1,575

a Contracts expressed in foreign currencies: €41m in US dollars as of 31 December 2019, €64m in US dollars as of 31 December 2018.

Bouygues Immobilier	Falling due			31/12/2019	31/12/2018 restated
	Less than 1 year	From 1 to 5 years	More than 5 years		
ACQUISITIONS OF LAND BANKS ^b	413			413	376
Total 31/12/2018 restated	376				376

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.

Bouygues Telecom	Falling due			31/12/2019	31/12/2018 restated
	Less than 1 year	From 1 to 5 years	More than 5 years		
AGREEMENTS TO SECURE HANDSET SUPPLIES ^c	154			154	119
Total 31/12/2018 restated	119				119

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

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	435	(1)	434	484	(1)	483

4.3 Trade receivables, tax assets and other current receivables

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	6,917	(629)	6,288	6,719	(574)	6,145
Customer contract assets	2,426		2,426	2,270		2,270
Current tax assets (receivable)	309	(2)	307	262	(2)	260
Other current receivables and prepaid expenses:						
• Employees, social security, government and other receivables	1,549	(5)	1,544	1,566	(8)	1,558
• Sundry receivables	1,250	(327)	923	1,110	(235)	875
• Prepaid expenses	361		361	274		274
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	3,160	(332)	2,828	2,950	(243)	2,707
TOTAL	12,812	(963)	11,849	12,201	(819)	11,382

Split of carrying amount of trade receivables between non past due and past due balances

	Past due by:				31/12/2019	31/12/2018 restated
	Non past due	0-6 months	6-12 months	More than 12 months		
Trade receivables	4,282	1,412	422	801	6,917	6,719
Impairment of trade receivables	(16)	(60)	(70)	(483)	(629)	(574)
TOTAL TRADE RECEIVABLES	4,266	1,352	352	318 ^a	6,288	6,145
Total 31/12/2018 restated	4,363	1,283	226	273		

a Includes: Bouygues Construction €155m, Colas €113m, Bouygues Telecom €37m.

An analysis of receivables more than 12 months past due and not covered by impairment allowances revealed no additional credit risk (recoverable VAT/offset against trade payables, etc).

4.4 Customer contract assets

	31/12/2018 restated	Translation adjustments	Movements during 2019			Falling due	
			Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2019	Less than 1 year	More than 1 year
Customer contract origination costs	214			25	239	120	119
Customer contract execution costs	277			119	396	55	341
Differences relating to percentage of completion on contracts ^a	1,779	18	(11)	5	1,791	1,791	
TOTAL CUSTOMER CONTRACT ASSETS	2,270	18	(11)	149	2,426	1,966	460

a Comprises unbilled receivables on construction contracts at Bouygues Construction, Bouygues Immobilier and Colas.

4.5 Cash and cash equivalents

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	3,055		3,055 ^a	2,278		2,278
Cash equivalents	519		519 ^b	650		650
TOTAL	3,574		3,574	2,928		2,928

a Includes €15m of term deposits with maturities of less than 3 months recorded in the books of Bouygues SA.

b €494m of these cash equivalents are held by Bouygues SA.

Surplus cash is invested with high-quality French and foreign banks.

All investments of cash and equivalents were accessible as of 31 December 2019.

Cash equivalents are measured at fair value and are readily convertible into cash.

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 31/12/2019	Total 31/12/2018 restated
Cash	1,854	157	84	53	368	153	70	316	3,055	2,278
Cash equivalents	516							3	519	650
Overdrafts and short-term bank borrowings	(98)	(2)	(4)	(16)	(33)	(3)	(5)	(59)	(220)	(238)
TOTAL 31/12/2019	2,272	155	80	37	335	150	65	260 ^a	3,354	
TOTAL 31/12/2018 restated	1,728	135	15	66	223	126	99	298		2,690

a "Other currencies" relate mainly to the Asia-Pacific region (€135m); Africa (€52m); and the Middle East (€16m).

4.6 Analysis of depreciation, amortisation, impairment and provisions in the balance sheet and income statement

	31/12/2018	Translation of consolidated restated adjustments f	Charges and reversals through current operating profit					31/12/2019
			Changes in scope	Depreciation, amortisation	Impairment losses & provisions, net	Reversals (unutilised)	Other impairment losses & provisions b	
Depreciation, amortisation & impairment of property, plant and equipment and intangible assets	(16,839)	(96)	(361)	(1,777) c	(37)	1	1,055 d	(18,014)
Amortisation and impairment of right of use of leased assets	(1,231)	(8)	1	(338)			196	(1,380)
Impairment of goodwill	(67)		17		(2)			(52)
Impairment of other non-current financial assets	(73)					2	(4)	(75)
SUB-TOTAL: NON-CURRENT ASSETS	(18,210)	(104)	(343)	(2,115)	(39) c	1 c	2 c	1,287
Impairment of inventories	(343)				(19)	17		(345)
Impairment of trade receivables	(574)	(3)			(87)	34		(1)
Impairment of cash equivalents								
Impairment of other current assets (excluding tax receivable)	(243)	1	(132)		(2)	48	(1)	(5)
SUB-TOTAL: CURRENT ASSETS	(1,160)	(2)	(132)	(106)	99	(1)	(4)	(1,306)
TOTAL ASSETS	(19,370)	(106)	(475)	(2,115)	(145)	100 e	1	1,283
Non-current provisions	2,042	12	20		61 c	(105) c	(16) c	153
Current provisions	995	11	30		310	(154)	5	(61)
TOTAL LIABILITIES	3,037	23	50		371	(259) e	(11)	92
								3,303

a Mainly reversals on disposals.

b Recognised in "Other operating income and expenses" or "Other financial income and expenses".

c The net aggregate amount of depreciation, amortisation, provisions and impairment charged against non-current assets is €1,753m (see the cash flow statement).

d Mainly a reduction in depreciation following disposals of plant and equipment, including €397m for Bouygues Telecom (asset disposals and retirements) and €502m for Colas.

e Unutilised reversals (total €359m) are shown in a footnote to the income statement, aggregated with the effects of acquisition/loss of control (€5m).

f The main changes in the scope of consolidation are the acquisitions of Keyyo and Nerim by Bouygues Telecom, and of De Mensen and Reel One by TF1.

Note 5 Consolidated shareholders' equity

5.1 Shareholders' equity attributable to the Group and to non-controlling interests: analysis as of 31 December 2019

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves and profit/(loss) for period	Items recognised directly in equity	31/12/2019
Attributable to the Group	380	2,369	808	1,928	5,091	(171)	10,405
Attributable to non-controlling interests					1,426	(31)	1,395
TOTAL SHAREHOLDERS' EQUITY	380	2,369	808	1,928	6,517	(202)	11,800

5.2 Share capital of Bouygues SA

As of 31 December 2019, the share capital of Bouygues SA consisted of 379,828,120 shares with a €1 par value. Movements during 2019 were as follows:

	31/12/2018 restated	Movements during 2019		31/12/2019
		Increases	Reductions	
Shares	372,377,939	8,320,013	(869,832)	379,828,120
NUMBER OF SHARES	372,377,939	8,320,013	(869,832)	379,828,120
Par value		€1		€1
SHARE CAPITAL (€)	372,377,939	8,320,013	(869,832)	379,828,120

The net capital increase during the year of €175 million (see the consolidated statement of changes in shareholders' equity) comprised:

- 2,288,650 shares issued on exercise of stock options (€57 million);
- 6,031,363 shares issued under the Bouygues Confiance n°11 employee share ownership plan (€150 million, including €15 million due to be collected in January 2020);
- 869,832 shares cancelled on 20 February 2019 following share buybacks carried out by Bouygues in connection with the Bouygues Confiance n°10 employee share ownership plan (€32 million).

5.3 Analysis of income and expenses recognised directly in equity

	Note	2019	2018 restated
Reserve for actuarial gains/(losses)	5.3.1	(89)	20
Fair value remeasurement reserve: equity instruments	5.3.2	(13)	(2)
Translation reserve of controlled entities	5.3.3	52	
Fair value remeasurement reserve: hedging instruments	5.3.4	(31)	(11)
Tax on items recognised directly in equity		26	(2)
Share of remeasurements of joint ventures and associates		(4) ^a	6
ATTRIBUTABLE TO THE GROUP		(59)	11
Other income and expenses attributable to non-controlling interests		(19)	(3)
TOTAL		(78)	8

a Relates mainly to:

- Alstom, with an overall negative impact of €17m made up of:
 - impact of the divestment of a 13% equity interest, comprising (i) derecognition of the translation reserve, with a positive impact of €60m and (ii) the reserves for actuarial gains and losses and fair value remeasurement of equity instruments, with a negative impact of €73m;
 - translation reserve for the period with a positive impact of €20m, and reserve for actuarial gains and losses with a negative impact of €24m;
- translation reserve at Colas and Bouygues Construction, with a positive impact of €9m.

5.3.1 Reserve for actuarial gains and losses on employee benefits (attributable to the Group)

	31/12/2018 restated	Movements during 2019	31/12/2019
Movement before tax (controlled entities)	(164)	(89) ^a	(253)

a Mainly relates to a reduction in the iBoxx A10+ rate in France (from 2.10% at 31 December 2018 to 0.92% at 31 December 2019) and to the discount rate used for pensions, offset by a change in the actuarial assumptions used by Colas for the staff turnover rate which is now restricted solely to voluntary departures.

5.3.2 Fair value remeasurement reserve: equity instruments (attributable to the Group)

	31/12/2018 restated	Movements during 2019	31/12/2019
Movement before tax (controlled entities)	0	(13)	(13)

5.3.3 Translation reserve (attributable to the Group)

The principal translation reserves as of 31 December 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 €141 million movement in the year is an increase of €80 million in the translation reserve of Alstom (see Note 5.3.).

	31/12/2018 restated	Movements during 2019	31/12/2019
US dollar	35	6	41
Canadian dollar	(34)	40	6
Pound sterling	9	2	11
Thai baht	10	4	14
South African rand	(6)	1	(5)
Swiss franc	35		35
Czech koruna	7	1	8
Alstom translation reserve	(144)	80	(64)
Other currencies	(15)	7	(8)
TOTAL	(103)	141^a	38

a Includes €89m 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:

	31/12/2018 restated	Movements during 2019	31/12/2019
Movement before tax (controlled entities) ^a	(58)	(31)	(89)

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:

	31/12/2019	31/12/2018 restated
Transfer to reserves:		
Expense calculated for plans awarded by TF1 in the last 5 years	1	2
Expense calculated for plans awarded by Bouygues SA in the last 5 years	5	7
Expense calculated for employee benefit: Bouygues Confiance n°10 employee share ownership plan	3	
Expense calculated for employee benefit: Bouygues Confiance n°11 employee share ownership plan	10	
TOTAL	16	12

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 €34 million mainly reflects:

- the recognition of liabilities for commitments to buy out non-controlling shareholders of TF1 subsidiaries, in particular the De Mensen and Reel One groups;
- the impact of derecognising reserves for actuarial gains and losses and fair value remeasurement of 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 divestment of a 13% equity interest in Alstom (see Note 5.3); and
- the portion of the tax savings on the Bouygues Confiance n°11 employee share ownership plan recognised in equity.

Note 6 Non-current and current provisions

6.1 Non-current provisions

Non-current provisions amounted to €2,167 million as of 31 December 2019:

	Long-term employee benefits ^a	Litigation and claims ^b	Guarantees given ^c	Other non-current provisions ^d	Total
31/12/2017 restated	772	323	383	580	2,058
Movements during 2018					
Translation adjustments	(1)	1		4	4
Changes in scope of consolidation	57	(10)	(8)	(8)	31
Charges to provisions	57	78	108	103	346
Reversals of provisions (utilised or unutilised)	(51)	(109)	(107)	(97)	(364) ^e
Actuarial gains and losses	(18)				(18)
Transfers and other movements	3	3	1	(22)	(15)
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) ^f
Actuarial gains and losses	94				94 ^g
Transfers and other movements	(5)	(1)	3	62	59
31/12/2019	940	252	391	584	2,167

Provisions are measured on the basis of management's best estimate of the risk.

a Long-term employee benefits (see Note 20.2)

940 Principal segments involved:

Lump-sum retirement benefits	595	Bouygues Construction	357
Long-service awards	135	Colas	396
Other long-term employee benefits	210	TF1	51

b Litigation and claims

Provisions for customer disputes	252	Bouygues Construction	83
Subcontractor claims	86	Bouygues Immobilier	19
Employee-related and other litigation and claims	44	Colas	91
	122	Bouygues Telecom	52

c Guarantees given

Provisions for 10-year construction guarantees	391	Bouygues Construction	310
Provisions for additional building/civil engineering/civil works guarantees	267	Bouygues Immobilier	23
	124	Colas	58

d Other non-current provisions

Provisions for miscellaneous foreign risks	584	Bouygues Construction	107
Risks relating to non-controlled entities	38	Colas	312
Dismantling and site rehabilitation	77	Bouygues Telecom	134
Provisions for social security inspections	306		
Other non-current provisions	113		
	50		

e Including reversals of unutilised provisions in 2018

(170)

f Including reversals of unutilised provisions in 2019

(133)

g The corresponding figure in the statement of recognised income and expense is €97m, which also includes an actuarial difference of €3m on overfunded plans.

6.2 Current provisions

Provisions relating to the operating cycle amounted to €1,136 million as of 31 December 2019:

	Provisions for customer warranties	Provisions for project risks and project completion ^a	Provisions for expected losses to completion ^a	Other current provisions ^b	Total
31/12/2017 restated	42	335	274	234	885
Movements during 2018					
Translation adjustments		3	(4)	(1)	(2)
Changes in scope of consolidation	1	10	75	5	91
Charges to provisions	17	169	184	117	487
Reversals of provisions (utilised or unutilised)	(21)	(157)	(173)	(115)	(466) ^c
Transfers and other movements	1	10	(13)	2	
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) ^d
Transfers and other movements	(1)	(17)	(45)	2	(61)
31/12/2019	38	394	404	300	1,136

a Mainly Bouygues Construction and Colas.
(Individual project provisions are not disclosed for confidentiality reasons).

b Other current provisions:	300	Principal segments involved:
Reinsurance provisions	6	Bouygues Construction 135
Restructuring provisions	23	Bouygues Immobilier 29
Site rehabilitation (current portion)	11	Colas 96
Miscellaneous current provisions	260	TFI 15
c Including reversals of unutilised provisions in 2018	(164)	
d Including reversals of unutilised provisions in 2019	(154)	

Note 7 Deferred tax assets and liabilities

The deferred tax assets and liabilities of the entities included in the Bouygues SA group tax election (Bouygues Construction, Bouygues Immobilier and Colas) are presented on the "Group tax election: Bouygues SA & other" line in the tables below.

7.1 Deferred tax assets

Deferred tax assets	31/12/2018 restated	Movements during 2019	31/12/2019
Bouygues Construction	80	(45)	35
Bouygues Immobilier	13	16	29
Colas	157	(1)	156
TF1			
Bouygues Telecom			
Group tax election: Bouygues SA & other	76	46	122
TOTAL	326	16	342

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 on liabilities	31/12/2018 restated	Movements during 2019	31/12/2019
Bouygues Construction	10	2	12
Bouygues Immobilier	9		9
Colas	122	(5)	117
TF1	43	4	47
Bouygues Telecom	141	30	171
Group tax election: Bouygues SA & other	3	2	5
TOTAL	328	33	361

The deferred tax position as of 31 December 2019 represented a net liability of €19 million; see Note 7.3 below for a detailed analysis.

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 31/12/2018 restated	Translation adjustments	Movements during 2019			Net deferred tax asset/(liability) at 31/12/2019
			Changes in scope of consolidation	Gain	Expense	
A - Tax losses						
Bouygues Construction	5			15	(21)	2
Bouygues Immobilier	2					2
Colas	11				(5)	6
TF1	4				(2)	(1)
Bouygues Telecom			2			1
Group tax election: Bouygues SA & other	90			14		9
SUB-TOTAL	112		2	29	(28)	15
B - Temporary differences						
Bouygues Construction	65		1	10	(45)	(9)
Bouygues Immobilier	2			16		18
Colas	24	(4)	(1)	16	(12)	10
TF1	(47)		(5) ^c			4
Bouygues Telecom	(141)		(8) ^d	(33)	6	(174)
Group tax election: Bouygues SA & other	(17)			8		13
SUB-TOTAL	(114)	(4)	(13)	17	(51)	20
TOTAL	(2)	(4)	(11)	46	(79)	31
						(19)

a Mainly deferred taxes recognised in equity (fair value remeasurements of financial instruments, and actuarial gains/losses on employee benefits and in the Bouygues Confiance N°11 employee share ownership plan).

b Overall tax loss arising on the group tax election, representing a tax base of €401m and expected to reverse over three years.

c Relates mainly to De Mensen, Reel One and Gammed!, and to the divestment of Téléshopping.

d Relates mainly to Keyyo and Nerim.

Principal sources of deferred taxation:	31/12/2019	31/12/2018 restated
• Deferred tax assets on employee benefits (mainly lump-sum retirement benefits and pensions)	160	142
• Tax losses	126	107
• Restricted provisions booked solely for tax purposes	(123)	(125)
• Other items	(182) ^a	(126)
TOTAL	(19)	(2)

a Includes in particular deferred tax liabilities on consolidation adjustments.

7.4 Period to recovery of deferred tax assets

31/12/2019	Less than 2 years	2 to 5 years	More than 5 years	Total	
Estimated period to recovery of deferred tax assets	185	65	92 ^a		342

a Mainly deferred tax assets on employee benefits.

7.5 Unrecognised deferred tax assets

Some deferred tax assets were not recognised as of 31 December 2019 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).

	31/12/2018 restated	Movements during 2019	31/12/2019
Bouygues Construction	157	55	212
Bouygues Immobilier	30		30
Colas	87	(15)	72
TF1	13		13
TOTAL	287	40	327

Note 8 Non-current and current debt

8.1 Interest-bearing debt by maturity

	Current debt				Non-current debt						Total maturing after >1 year 31/12/2018 restated
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing in less than 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	
Bond issues	96	60	939	1,095	797	696				1,331	2,824
Bank borrowings		53	84	137	957	148	82	20	19	45	1,271
Other borrowings		18	45	63	29	64	5	11	17	15	141
TOTAL NON-CURRENT AND CURRENT DEBT	96	131	1,068	1,295	986	1,009	783	31	36	1,391	4,236
Total 31/12/2018 restated	103	117	1,020	1,240	1,526	554	850	723	23	1,372	5,048

Total non-current debt decreased by €812 million in 2019; a bond issue of €1 billion maturing in July 2020 was reclassified as current.

Current debt was stable; the reclassification of the bond issue maturing in July 2020 was offset by the redemption of a bond issue of the same amount in October 2019.

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	Interest rate (%)	Quoted price at 31/12/2019, as % of nominal on full price basis ^a
			on maturity		
FR0010212852	22/07/2005	22/07/2020	1,000	4.250%	102.4850
FR0011193515	09/02/2012	09/02/2022	800	4.500%	109.9250
FR0011332196	02/10/2012	16/01/2023	700	3.625%	111.5650
FR0010379255	06/10/2006	06/10/2026	595 ^b	5.500%	124.9740
FR0013222494	07/12/2016	07/06/2027	750	1.375%	108.6630
TOTAL			3,845		

a Source: Bloomberg.

b Equivalent value in euros of the sterling-denominated nominal value.

8.2 Confirmed facilities and drawdowns

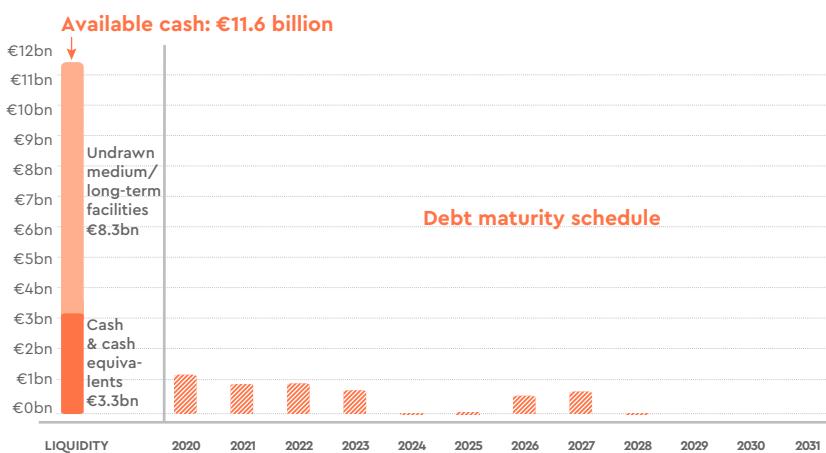
Description	Confirmed facilities – Maturity				Drawdowns – Maturity				Total
	Less than 1 year	From 1 to 5 years	More than 5 years	Total	Less than 1 year	From 1 to 5 years	More than 5 years		
Bond issues (mainly Bouygues SA)	1,095	1,493	1,331	3,919	1,095	1,493	1,331	3,919	
Bank borrowings	1,012	8,378	268	9,658	137	1,207	64	1,408	
Other borrowings	63	109	32	204	63	109	32	204	
TOTAL	2,170	9,980	1,631	13,781	1,295	2,809	1,427	5,531	

a Confirmed undrawn facilities: €8,250m.

8.3 Liquidity at 31 December 2019

As at 31 December 2019, available cash stood at €3,309 million, net of a €45 million liability in respect of financial instruments contracted to hedge net debt. The Group also had €8,250 million of undrawn confirmed credit facilities as at the same date.

Debt maturity schedule (drawdowns) at 31 December 2019



All bond issues other than that maturing in 2020 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 €301 million financing obtained by Colas in Canada 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:

(%)	31/12/2019	31/12/2018 restated
Fixed rate debt ^a	86	86
Floating rate debt	14	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 2019 is shown below:

	Floating rate	Fixed rate	Total
Financial liabilities (debt) ^a	(1,663)	(3,868)	(5,531)
Financial assets (net cash position) ^b	3,309		3,309
Net pre-hedging position	1,646	(3,868)	(2,222)
Interest rate hedges	884	(884)	
Net post-hedging position	2,530	(4,752)	(2,222)
Adjustment for seasonal nature of some activities ^c	296	(296)	
Net post-hedging position after adjustment	2,826		

a Call options and contingent consideration recognised as financial liabilities under IFRS 9 are treated as fixed rate.

b Net of a €45m liability in respect of the fair value of financial instruments contracted to hedge net debt.

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 €28 million over a full year.

8.6 Split of current and non-current debt by currency

	Europe						Total
	Euro	Pound sterling	Other currencies	US dollar	Canadian dollar	Other currencies	
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
Non-current: 31/12/2018 restated	3,966	648	10	39	382	3	5,048
Current: 31/12/2018 restated	1,192	12	2	4	5	25	1,240

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

	31/12/2018 restated	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value	Other movements ^c	31/12/2019
Cash and cash equivalents	2,928	39	9	593		5	3,574
Overdrafts and short-term bank borrowings	(238)	49	(1)	(25)		(5)	(220)
NET CASH POSITION (A)	2,690	88 ^a	8 ^a	568 ^a			3,354
Non-current debt	5,048	30	13	96 ^b	12	(963)	4,236
Current debt	1,240	1	196	(1,137) ^b	(13)	1,008	1,295
Financial instruments, net	14				32	(1)	45
TOTAL DEBT (B)	6,302	31	209 ^d	(1,041)	31	44	5,576
NET DEBT (A)-(B)	(3,612)	57	(201)	1,609	(31)	(44)	(2,222)

a Net cash inflow of €664m, as reported in the cash flow statement.

b Net cash outflow from financing activities of €1,041m as reported in the cash flow statement, comprising (i) inflows of €962m and (ii) outflows of €2,003m, including the redemption of a €1,000m Bouygues SA bond issue that matured in October 2019.

c "Other movements" mainly comprise (i) the reclassification from non-current to current of the Bouygues SA bond issue of €1,000m maturing July 2020 and (ii) the commitments to buy out the non-controlling shareholders of Reel One (€38m) and De Mensen (€10m).

d "Changes in scope of consolidation" mainly comprise the first-time consolidation of the liabilities of SCI Camille Desmoulins, over which Bouygues Immobilier obtained control in 2019.

9.2 Principal changes in net debt during 2019

NET DEBT AT 31 DECEMBER 2018 restated	(3,612)
Partial divestment (13%) of the equity interest in Alstom (selling price, net of transaction costs and dividends received)	1,405
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	(180)
Transactions involving the share capital of Bouygues SA	181 ^a
Bouygues Confiance n°10 2018 employee share ownership plan – amounts collected in 2019	16
Bouygues Confiance n°11 2019 employee share ownership plan – amounts to be collected in 2020	(15)
Dividends paid	(710)
Operating items	693
NET DEBT AS 31 DECEMBER 2019	(2,222)

a Relates mainly to (i) increases in the share capital of Bouygues SA to reflect the exercise of stock options (€57m) and the Bouygues Confiance n°11 employee share ownership plan (€150m); and (ii) the repurchase of treasury shares by Bouygues SA on 4 January 2019 (with a view to a €32m reduction in share capital and share premium).

Note 10 Non-current and current lease obligations

10.1 Maturity analysis of lease obligations

	CURRENT LEASE OBLIGATIONS			Non-current lease obligations						Total maturing after > 1 year 31/12/2019	Total maturing after > 1 year 31/12/2018 restated
	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		
Lease obligations	84	258	342	282	245	207	172	138	300	1,344	
Total 31/12/2018 restated	79	239	318	267	228	195	176	133	327		1,326

10.2 Movement in lease obligations

	31/12/2018 Translation restated adjustments	Changes in scope of consolidation	Cash flows	New leases, lease modifications, and other lease-related movements	31/12/2019
Non-current lease obligations	1,326	11	(114)	121	1,344
Current lease obligations	318	3	129	(351)	342
TOTAL LEASE OBLIGATIONS	1,644	14	15	(351)	364
					1,686

Note 11 Current liabilities

11.1 Current liabilities

	31/12/2019	31/12/2018 restated
Current debt ^a	1,295	1,240
Current lease obligations	342	318
Current taxes payable	230	154
Trade payables	7,394	7,423
Customer contract liabilities ^b	3,854	3,885
Current provisions ^c	1,136	995
Other current liabilities:		
• Other operating liabilities (employees, social security, government)	2,969	2,914
• Deferred income	38	39
• Other non-financial liabilities	1,888	1,826
Overdrafts and short-term bank borrowings	220	238
Financial instruments – Hedging of debt	57	25
Other current financial liabilities	23	21
TOTAL	19,446	19,078

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 2019				
	31/12/2018 restated	Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2019
Advances and down-payments received on orders ^a	1,351	10	(8)	(156)	1,197
Differences relating to percentage of completion on contracts ^b	2,534	40	36	47	2,657
CUSTOMER CONTRACT LIABILITIES	3,885	50	28	(109)	3,854

a As of 31 December 2019, "Advances and down-payments received on orders" included €4m (€40m as of 31 December 2018) 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 2019.

b Mainly comprises deferred income on construction contracts at Bouygues Construction and Colas.

Note 12 Sales

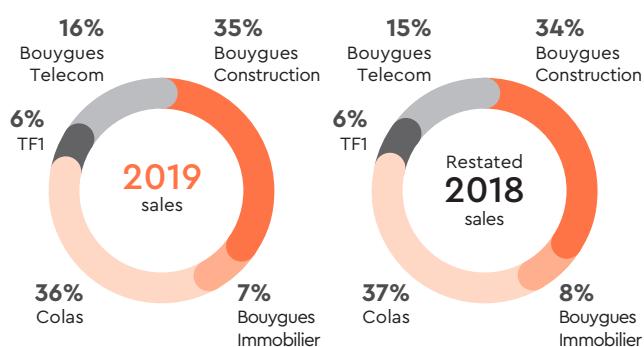
12.1 Analysis by business segment

Sales by geographical area are allocated to the territory in which the sale is generated.

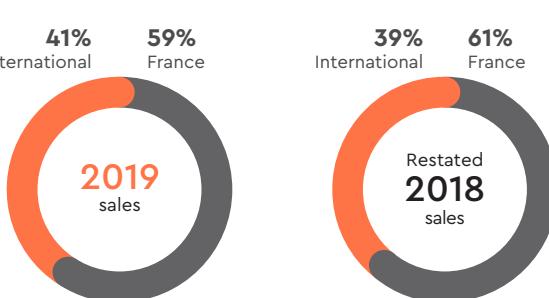
	2019 sales			Restated 2018 sales		
	France	International	Total	France	International	Total
Bouygues Construction	5,216	8,033	13,249	5,455	6,750	12,205
Bouygues Immobilier	2,565	140	2,705	2,495	132	2,627
Colas	6,535	7,086	13,621	6,408	6,726	13,134
TF1	2,093	190	2,283	2,111	131	2,242
Bouygues Telecom	6,031		6,031	5,314		5,314
Bouygues SA & other	6	34	40	5	28	33
CONSOLIDATED SALES	22,446	15,483	37,929	21,788	13,767	35,555

Split of total sales

By business segment



By geographical area



7

An analysis of sales by accounting classification and business segment is provided in Note 17.

There were no material exchanges of goods or services in the years ended 31 December 2019 and 2018, 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

	2019 sales		Restated 2018 sales	
	Total	%	Total	%
France	22,446	59	21,788	61
European Union (28 members)	4,469	12	3,851	11
Rest of Europe	2,234	6	1,874	5
Africa	1,060	3	1,057	3
Middle East	137	0	113	0
North America	4,189	11	3,860	11
Central and South America	357	1	314	1
Asia-Pacific	3,037	8	2,698	8
TOTAL	37,929	100	35,555	100

The United Kingdom accounts for 45% of sales in the European Union excluding France, primarily in construction. These 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

(%)	2019			2018 restated		
	France	International	Total	France	International	Total
Public-sector contracts ^a	27	48	35	26	47	34
Private-sector contracts	73	52	65	74	53	66

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 €35,344 million as of 31 December 2019.

	Movements during 2019				31/12/2019
	31/12/2018 restated	Translation adjustments	Changes in scope of consolidation	Other movements arising from operating activities	
Construction businesses	33,146	364	(309)	(179)	33,022
Bouygues Construction	22,183	280		(863) ^b	21,600
Bouygues Immobilier	2,478			(265)	2,213
Colas	8,485	84	(309) ^a	949	9,209
TF1	56			87	143
Bouygues Telecom	1,831			446	2,277
Inter-segment adjustments	(181)			83	(98)
TOTAL ORDER BACKLOG	34,852	364	(309)	437	35,344
maturing within less than 1 year	18,575				18,989
maturing within 1 to 5 years	12,239				13,756
maturing after more than 5 years	4,038				2,599

a Relates mainly to the deconsolidation of Smac (€335m).

b Includes an order intake of €12,308m.

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 notarized 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

	2019	2018 restated
CURRENT OPERATING PROFIT	1,676	1,564
Other operating income	71	371
Other operating expenses	(51)	(106)
OPERATING PROFIT	1,696	1,829

See Note 17 for an analysis of current operating profit and operating profit by business segment.

The main components of "Other operating income" and "Other operating expenses" are:

2019

Bouygues Telecom: Net income of €70 million, comprising a €63 million gain on the transfer of sites and towers to Cellnex plus €4 million of other operating income and €3 million on the roll-out of network sharing (reversals of provisions, net of charges).

Colas: €28 million of restructuring expenses associated with the shutdown of operations at the Dunkirk refinery and SES Nouvelle.

Bouygues Construction: €23 million of restructuring expenses.

2018

Bouygues Telecom: net income of €322 million, comprising a €250 million gain on the disposal of assets (sites and towers to Cellnex, fibre optic infrastructure to CityFast); the €110 million reversal of the accrued expense previously recognised for Arcep licence fees following a favourable outcome; and €11 million of other operating income. Those amounts were partly offset by a €47 million expense on the roll-out of network sharing and €2 million of one-off year-end employee bonuses.

Colas: Expenses of €31 million, comprising €16 million for the costs of preliminary works on the dismantling of the Dunkirk refinery site; €10 million of one-off year-end employee bonuses; and €5 million of other miscellaneous operating expenses.

TF1: Amortisation of €22 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.

Bouygues Construction: expense of €4 million for one-off year-end employee bonuses.

Note 14 Cost of net debt and other financial income and expenses

14.1 Analysis of cost of net debt

	2019	2018 restated
Financial expenses, comprising:		
Interest expense on debt	(246)	(245)
Interest expense related to treasury management	(233)	(226)
Negative impact of financial instruments	(12)	(18)
Financial income, comprising:		
Interest income from cash and cash equivalents	39	29
Income and gains on disposal from cash and cash equivalents	34	27
COST OF NET DEBT	(207)	(216)

14.2 Other financial income and expenses

	2019	2018 restated
Other financial income	84	82
Other financial expenses	(94)	(64)
OTHER FINANCIAL INCOME/(EXPENSES), NET	(10)	18

"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.

The year-on-year rise of €30 million in "Other financial expenses" reflects increases in (i) impairment losses taken against non-current financial assets and (ii) charges arising from the unwinding of discount on commitments to buy out non-controlling interests, plus the fact that the carrying amount of divested financial assets was higher than in 2018.

Note 15 Income tax expense

15.1 Analysis of income tax expense

	2019			2018 restated		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(238)	(181)	(419)	(313)	(125)	(438)
Change in deferred tax liabilities	(25)	5	(20)	12	(1)	11
Change in deferred tax assets	(10)	(3)	(13)		1	1
TOTAL	(273)	(179)	(452)	(301)	(125)	(426)

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)

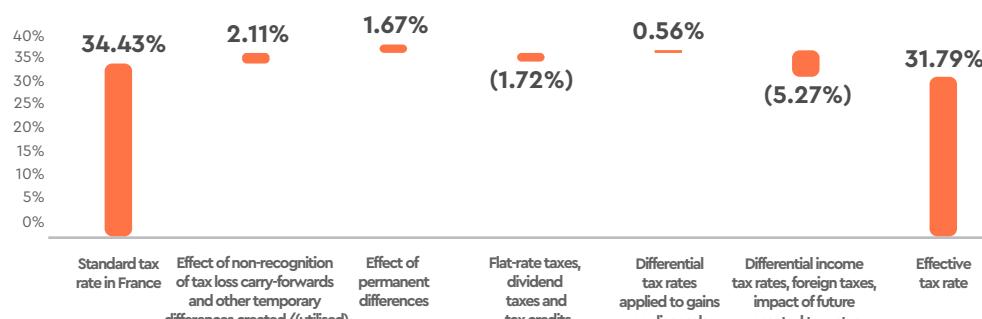
Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are explained as follows:

	2019	2018 restated
NET PROFIT FOR THE PERIOD (100%)	1,320	1,450
Eliminations:		
Income tax	452	426
Net (profit)/loss of discontinued and held-for-sale operations	None	None
Share of net (profits)/losses of joint ventures and associates	(350)	(302)
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS EXCLUDING JOINT VENTURES AND ASSOCIATES	1,422	1,574
Standard tax rate in France	34.43%	34.43%
Effect of non-recognition of tax loss carry-forwards and other temporary differences created/(utilised)	2.11%	1.59%
Effect of permanent differences	1.67%	0.51%
Flat-rate taxes, dividend taxes and tax credits	(1.72%)	(3.56%)
Differential tax rates applied to gains on disposals ^a	0.56%	(1.14%)
Differential income tax rates, foreign taxes, impact of future enacted tax rates	(5.27%)	(4.77%)
EFFECTIVE TAX RATE	31.79%	27.06%

a For 2018, includes the impacts of the disposal of 49% of Axione by Bouygues Construction.

The effective tax rate for 2019 is 32%. After stripping out the Axione disposal and after treating the CICE tax credit as taxable (in line with the 2019 treatment), the 2018 effective tax rate was 31%.

Effective tax rate



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 the year, excluding the average number of ordinary shares bought and held as treasury shares.

	2019	2018 restated
Net profit from continuing operations attributable to the Group (€m)	1,184	1,308
Weighted average number of shares outstanding	372,761,257	367,355,503
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	3.18	3.56

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).

	2019	2018 restated
Net profit from continuing operations attributable to the Group (€m)	1,184	1,308
Weighted average number of shares outstanding	372,761,257	367,355,503
Adjustment for potentially dilutive effect of stock options	697,972	1,998,064
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	3.17	3.54

Note 17 Segment information

Segment information is provided in two forms:

- Analysis by business segment (CGU):** Bouygues Construction (Construction), Bouygues Immobilier (Property), Colas (Roads), TF1 (Media), Bouygues Telecom (Telecoms), and Bouygues SA & other.
- Analysis by geographical area:** France (including overseas departments), European Union, Rest of Europe, Africa, Asia-Pacific, Americas and Middle East.

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 & other" segment includes contributions from holding companies, and from entities dedicated to the centralised financing of the Group.

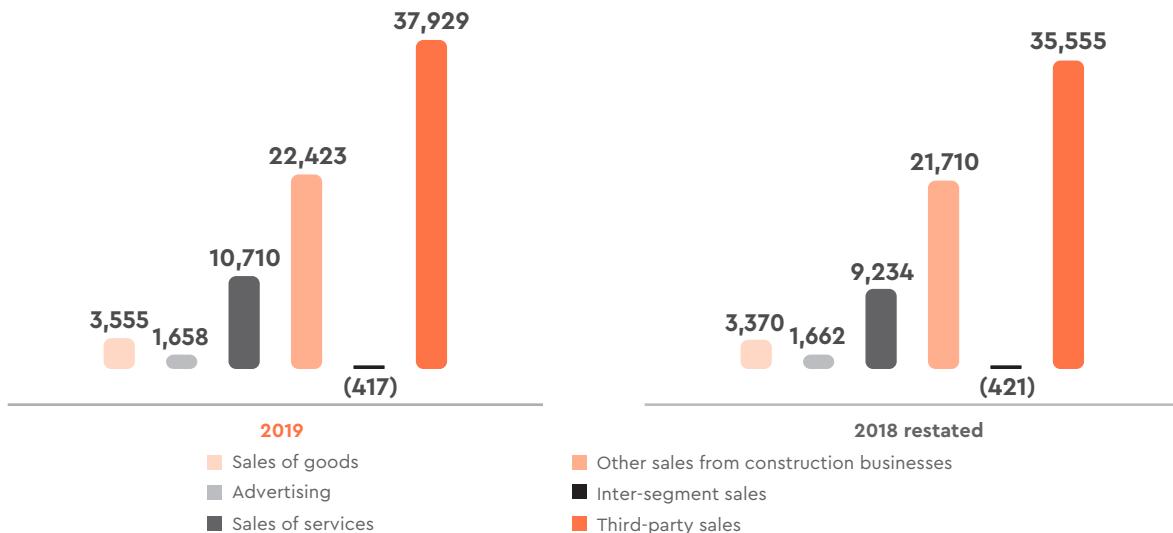
17.1 Analysis by business segment

	Bouygues Construction	Bouygues Immobilier	Colas	TFI	Bouygues Telecom	Bouygues SA & other	Total
2019 INCOME STATEMENT							
Sales of goods	80		2,561	119	795		3,555
Advertising					1,658		1,658
Sales of services	4,256	52	377	560	5,263	202	10,710
Other sales from construction businesses	9,019	2,654	10,750				22,423
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
CURRENT OPERATING PROFIT/(LOSS) AFTER LEASES^a	367	97	418	251	515	(29)	1,619
Other operating income					70	1	71
Other operating expenses	(23)		(28)				(51)
OPERATING PROFIT/(LOSS)	355	99	405	255	610	(28)	1,696
OPERATING PROFIT/(LOSS) AFTER LEASES^a	344	97	390	251	585	(28)	1,639
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 and held-for-sale 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
2018 RESTATED INCOME STATEMENT							
Sales of goods	101		2,353	144	772		3,370
Advertising					1,662		1,662
Sales of services	3,556	53	403	482	4,572	168	9,234
Other sales from construction businesses	8,701	2,575	10,434				21,710
Total sales	12,358	2,628	13,190	2,288	5,344	168	35,976
Inter-segment sales	(153)	(1)	(56)	(46)	(30)	(135)	(421)
THIRD-PARTY SALES	12,205	2,627	13,134	2,242	5,314	33	35,555
CURRENT OPERATING PROFIT/(LOSS)	378	190	373	199	454	(30)	1,564
CURRENT OPERATING PROFIT/(LOSS) AFTER LEASES^a	367	188	360	195	427	(30)	1,507
Other operating income					371		371
Other operating expenses	(4)		(31)	(22)	(49)		(106)
OPERATING PROFIT/(LOSS)	374	190	342	177	776	(30)	1,829
OPERATING PROFIT/(LOSS) AFTER LEASES^a	363	188	329	173	749	(30)	1,772
Income from net surplus cash/(cost of net debt)	17	(2)	(31)	(2)	(7)	(191)	(216)
Interest expense on lease obligations	(11)	(2)	(13)	(4)	(27)		(57)
Income tax	(109)	(79)	(96)	(49)	(242)	149	(426)
Share of profits/(losses) of joint ventures and associates	(2)	46	28			230	302
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	308	140	228	127	491	156	1,450
Net profit/(loss) from discontinued and held-for-sale operations							
NET PROFIT/(LOSS)	308	140	228	127	491	156	1,450
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	296	137	220	55	444	156	1,308

^a "Current operating profit/(loss) after Leases" and "Operating profit/(loss) after Leases" are calculated from current operating profit/(loss) and operating profit/(loss) so that those indicators can be presented including interest expense on lease obligations determined in accordance with IFRS 16.

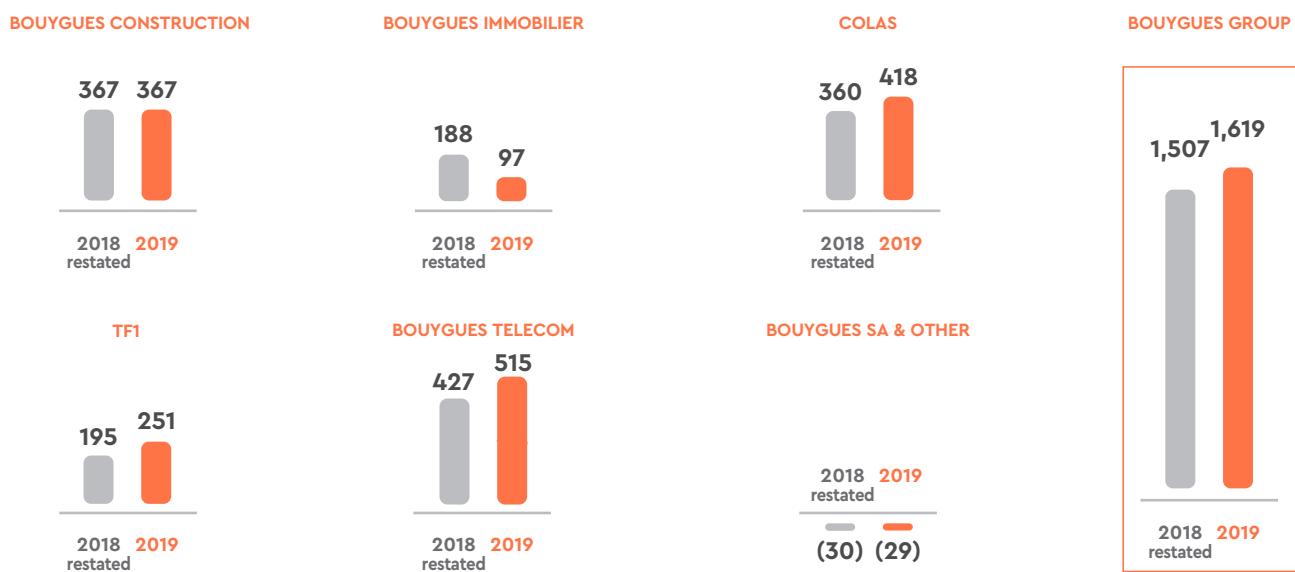
Consolidated sales

(€ million)



Current operating profit

(€ million)



	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss) after Leases	367	97	418	251	515	(29)	1,619
Elimination of net depreciation/amortisation expense and net charges to provisions and impairment losses:							
• Net depreciation and amortisation expense on property, plant and equipment and intangible assets	184	10	462	243	867	11	1,777
• Charges to provisions and impairment losses, net of reversals due to utilisation	271	24	151	34	35	1	516
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
Current operating profit/(loss) after Leases	367	188	360	195	427	(30)	1,507
Elimination of net depreciation /amortisation expense and net charges to provisions and impairment losses:							
• Net depreciation and amortisation expense on property, plant and equipment and intangible assets	189	10	461	213	821	9	1,703
• Charges to provisions and impairment losses, net of reversals due to utilisation	214	(2)	100	70	34	1	417
Elimination of items included in "Other income from operations":							
• Reversals of unutilised provisions and impairment and other items	(280)	(35)	(145)	(9)	(18)		(487)
EBITDA AFTER LEASES 2018 RESTATED	490	161	776	469	1,264	(20)	3,140
BALANCE SHEET AT 31 DECEMBER 2019							
Investments in joint ventures and associates	105	41	422	12		976 ^a	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) ^b	3,113	(279)	(367)	(127)	(1,454)	(3,108)	(2,222)
RESTATED BALANCE SHEET AT 31 DECEMBER 2018							
Investments in joint ventures and associates	103	27	394	21		2,088 ^a	2,633
Non-current provisions	(811)	(88)	(792)	(41)	(278)	(32)	(2,042)
Current provisions	(647)	(31)	(271)	(20)	(2)	(24)	(995)
Restated net debt at 31 December 2018:							
Cash and cash equivalents	4,652	70	563	117	44	(2,518)	2,928
Non-current debt	(1,028)	(17)	(503)	(127)	(1,253)	(2,120)	(5,048)
Current debt	(11)	(6)	(46)	(12)	(61)	(1,104)	(1,240)
Overdrafts and short-term bank borrowings	(493)	(285)	(488)	(6)	(4)	1,038	(238)
Financial instruments – Hedging of debt (assets/liabilities)	(1)		(1)		(1)	(11)	(14)
NET SURPLUS CASH/(NET DEBT) ^b	3,119	(238)	(475)	(28)	(1,275)	(4,715)	(3,612)

a Includes Alstom: €974m at 31 December 2019, €2,087m at 31 December 2018.

b 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).

	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
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	(146)	205	(30)	(32)	(166)	(54)	(223)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(189)	(11)	(321)	(242)	(836)	(3)	1,602
Repayment of lease obligations (IV)	(98)	(9)	(88)	(18)	(138)	0	(351)
FREE CASH FLOW AFTER CHANGES IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	58	305	341	124	135 ^a	193 ^c	1,156
Other financial indicators: 2018 restated							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	389	118	698	360	1,187	(43)	2,709
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	286	(95)	(295)	17	(282)	(30)	(399)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(201)	(8)	(288)	(204)	(865)	(7)	(1,573)
Repayment of lease obligations (IV)	(86)	(9)	(69)	(16)	(130)	0	(310)
FREE CASH FLOW AFTER CHANGES IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	388	6	46	157	(90) ^b	(80) ^c	427

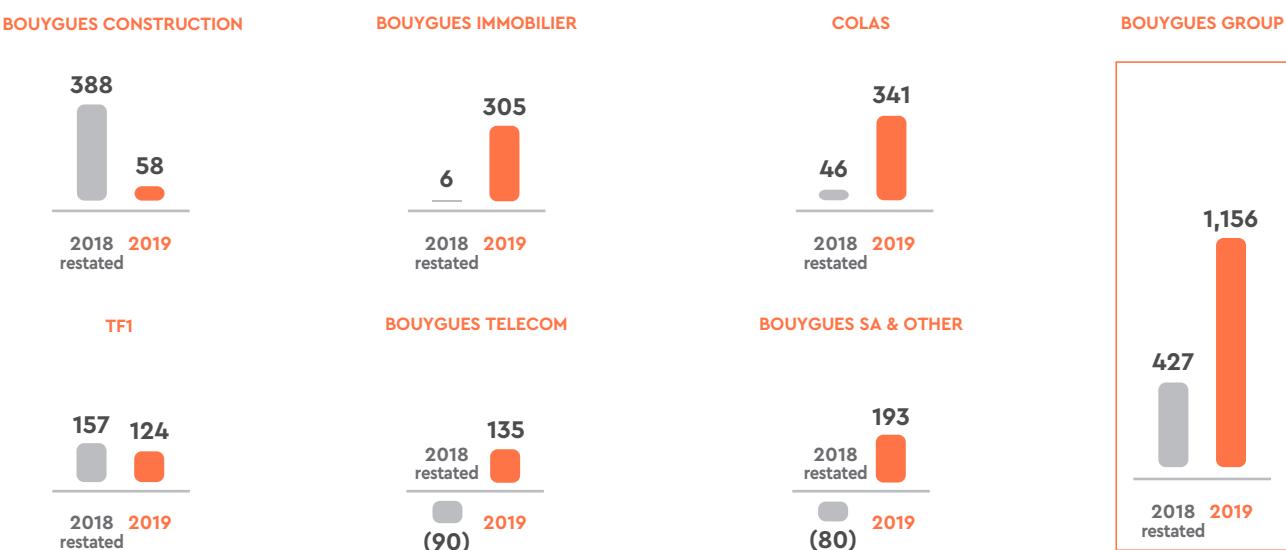
a Before a deterioration of €166m in working capital requirements relating to operating activities, free cash flow at Bouygues Telecom for 2018 amounted to €301m.

b Before a deterioration of €282m in working capital requirements relating to operating activities, free cash flow at Bouygues Telecom for 2018 amounted to €192m.

c The €273m rise in free cash flow after change in working capital requirements for "Bouygues SA & other" was mainly due to a €319m increase in dividends from Alstom.

After stripping out the dividends received from Alstom in 2018 (€22 million) and 2019 (€341 million), free cash flow after change in working capital requirements rose by €410 million (from €405 million in 2018 to €815 million in 2019).

Free cash flow after change in working capital requirements relating to operating activities



17.2 Analysis by geographical area

Property, plant and equipment and intangible assets are allocated according to the location of the asset as of 31 December.

	France ^a	European Union	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Balance sheet at 31 December 2019								
Property, plant and equipment	5,642	382	156	144	197	979	2	7,502
Intangible assets	2,038	19			1	119		2,177
Cash flow statement 2019								
Purchase price of property, plant & equipment and intangible assets	1,490	69	26	58	107	102	1	1,853

a Including overseas departments.

	France ^a	European Union	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Restated balance sheet at 31 December 2018								
Property, plant and equipment	5,495	363	165	126	158	1,016	4	7,327
Intangible assets	2,057	17	3		2	119		2,198
Cash flow statement 2018 restated								
Purchase price of property, plant & equipment and intangible assets	1,778	74	35	62	68	160	1	2,178

a Including overseas departments.

Note 18 Financial instruments

The tables below show aggregate notional amounts for each type of financial instrument used, 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 31/12/2019	Total 31/12/2018 restated
Forward purchases	464		270	2		1	737	765
Forward sales	460		112				572	541
Currency swaps	20			13	3	1,011	1,047	1,213
Interest rate swaps ^a		350	134			500	984	1,371
Interest rate options (caps, floors)			45		1,200		1,245	
Commodities derivatives			1				1	1

a Pay fixed rate €984m.

18.1.2 Analysis by maturity and original currency

	Maturity			Total	Original currency				
	< 1 year	1 to 5 years	> 5 years		EUR	USD	HKD	CHF	Other
Forward purchases	685	52		737	238	143	3	11	342
Forward sales	527	45		572	16	182	56	108	210
Currency swaps	1,047			1,047	4	136	300	166	441
Interest rate swaps	100	334	550	984	938				46
Interest rate options (caps, floors)		1,245		1,245	1,245				
Commodities derivatives	1			1	1				

18.2 Market value of hedging instruments

Derivatives recognised as assets	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	HKD	CHF	Other				
Forward purchases	1				3	4			4
Forward sales	1	1				2			2
Currency swaps		1			1	2	1	1	
Interest rate swaps	1					1			1
Interest rate options (caps, floors)		2				2			2
Commodities derivatives									
TOTAL ASSETS	5	2			4	11	1	10	

Derivatives recognised as liabilities	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	HKD	CHF	Other				
Forward purchases	(7)	(2)				(9)			(9)
Forward sales	(5)	(1)	(2)	(2)	(2)	(10)			(10)
Currency swaps	(1)	(3)	(1)	(1)	(1)	(6)			(6)
Interest rate swaps	(47)					(11) ^a	(58)	(11)	(47)
Interest rate options (caps, floors)									
Commodities derivatives									
TOTAL LIABILITIES	(54)	(8)	(4)	(3)	(14)	(83)	(11)	(72)	
TOTAL, NET	(49)	(6)	(4)	(3)	(10)	(72) ^b	(10)	(62)	

a Primarily GBP.

b The difference from the value shown in the balance sheet is mainly due to the €11m negative market value of the interest rate swap contracted by Colas for the City of Portsmouth contract, which is entirely offset by the €11m 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 negative market value of €11 million; in the event of a -1.00% movement, it would have a negative market value of €123 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 €69 million; in the event of a -1.00% movement, it would have a negative market value of €74 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.

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

19.1 Guarantee commitments

	31/12/2019	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2018 restated
Pledges, mortgages and collateral	78	4		74				12	53	13	89
Guarantees and endorsements given	291	41		224	16		10	181	65	45	98
TOTAL GUARANTEE COMMITMENTS GIVEN	369	45		298	16		10	193	118	58	187
Guarantees and endorsements received	10						10	2	8		2
TOTAL GUARANTEE COMMITMENTS RECEIVED	10						10	2	8		2
NET BALANCE	359	45		298	16			191	110	58	185

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

	31/12/2019	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2018 restated
Image transmission	44			44				22	22		67
Network	3,402				3,402			228	902	2,272	2,630
Other items	199		1	185	13			48	53	98	197
TOTAL SUNDY CONTRACTUAL COMMITMENTS GIVEN	3,645		1	185	57	3,402		298	977	2,370	2,894
Image transmission	44			44				22	22		67
Network	3,402				3,402			228	902	2,272	2,630
Other items	199		1	185	13			48	53	98	197
TOTAL SUNDY CONTRACTUAL COMMITMENTS RECEIVED	3,645		1	185	57	3,402		298	977	2,370	2,894
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. These commitments increased by €751 million during 2019.

Contractual commitments given by Bouygues Telecom amounted to €3,402 million, a net increase of €772 million, due mostly to an increase in service agreements associated with the FTTH rollout.

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 Mobile Virtual Network Operators (MVNOs), 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 700MHz 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 reallocated to 4G.

Authorisation to reform technologically equivalent frequencies in the 900, 1800 MHz and 2100 MHz bands

On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the "New Deal Mobile" agreement with the four mobile operators, aimed at extending quality mobile coverage to all French people. The desired objective of digital roll-out across French territory 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 rollout 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.

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 31 December 2020, except for sites in the "Town Centre Not Spots" programme, of which 75% must be upgraded to 4G by 31 December 2020 and 100% 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 31 December 2020;
- covering the strategic road network (from inside vehicles) by 9 October 2025;
- covering 90% of the regional rail network by 31 December 2025;

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 will make 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 2019, 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, the "New Deal" requires Bouygues Telecom to extend 4G to 75% of those sites by the end of 2020 and 100% by the end of 2022.

19.4 Contingent assets and liabilities

None.

Note 20 Employee benefit obligations and employee share ownership

20.1 Average headcount

	2019	2018
Managerial staff	23,780	23,358
Technical, supervisory & clerical staff	20,033	19,749
Site workers	23,262	24,757
SUB-TOTAL - HEADCOUNT FRANCE	67,076	67,863
Expatriate staff and local employment contracts	66,121	58,552
TOTAL AVERAGE HEADCOUNT	133,197	126,416

The main reason for the increase in headcount is the acquisitions carried out during the year.

20.2 Employee benefit obligations

	31/12/2018 restated	Movements during 2019	31/12/2019
Lump-sum retirement benefits	528	67	595
Long service awards and other benefits	143	(8)	135
Other post-employment benefits (pensions)	148	62	210
TOTAL	819	121	940

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

	2019	2018 restated
Amount recognised as an expense	(1,894)	(1,890)

This defined-contribution expense consists of contributions to:

- the public health insurance scheme and the supplementary health insurance scheme;
- 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	
	31/12/2019	31/12/2018 restated	31/12/2019	31/12/2018 restated	31/12/2019	31/12/2018 restated
Present value of obligation	600	534	1,903 ^a	536	2,503	1,070
Fair value of plan assets (dedicated funds)	(5)	(6)	(1,693) ^a	(388)	(1,698)	(394)
NET OBLIGATION RECOGNISED AS A PROVISION	595	528	210	148	805	676
Ratio of plan assets to present value of obligation			89%	72%		
Oversubscribed plans recognised as an asset in the balance sheet			(18)	(17)	(18)	(17)
TOTAL	595	528	192	131	787	659

a Changes in the present value of the obligation and the fair value of plan assets relate mainly to the recognition of the obligations of Alpiq Engineering Services as part of the purchase price allocation conducted in the 12 months following the acquisition.

	Lump-sum retirement benefits		Pensions	
	2019	2018 restated	2019	2018 restated
START OF PERIOD				
Current and past service cost	29	24	34	11
Interest cost on the obligation	7	7	3	1
TOTAL EXPENSE RECOGNISED	36	31	37	12
Reversals of provisions utilised (benefits and contributions paid)	(27)	(26)	(41)	(5)
Translation adjustments			5	(1)
Changes in scope of consolidation		(15)	28 ^a	77 ^a
Actuarial gains and losses recognised in equity	58 ^b	21	36 ^b	(39)
Transfers and other movements			(3)	2
END OF PERIOD	595	528	210	148

a Mainly relates to the commitments of Alpiq Engineering Services.

b The corresponding figure in the statement of recognised income and expense is €97m, which also includes an actuarial difference of €3m on oversubscribed plans.

20.3.2.2 Analysis by business segment: year ended 31 December 2019

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Non-current provisions (balance sheet):							
• lump-sum retirement benefits	206	22	220	50	78	19	595
• pensions	119		91				210
Provisions recognised as liabilities in the balance sheet							
	325	22	311	50	78	19	805
Oversubscribed plans recognised as an asset in the balance sheet	(3)		(15)				(18)
TOTAL	322	22	296	50	78	19	787

20.3.2.3 Analysis by geographical area: 31 December 2019

	France	European Union ^a	Rest of Europe ^b	Africa	Americas	Asia-Pacific	Middle East	Total
Non-current provisions (balance sheet):								
• lump-sum retirement benefits	585	2		5	2	1		595
• pensions	3	149	46		12			210
Provisions recognised as liabilities in the balance sheet								
	588	151	46	5	14	1		805
Overfunded plans recognised as an asset in the balance sheet			(18)					(18)
TOTAL	588	151	28	5	14	1		787

a Includes the United Kingdom.

b Mainly Switzerland.

20.3.2.4 Main actuarial assumptions used to measure lump-sum retirement benefit obligations and pensions

	2019	2018
Discount rate for lump-sum retirement benefits ^a	0.9221% (iBoxx A10+)	2.10% (iBoxx A10+)
Discount rate for pensions ^b	0.20% to 6.00%	0.10% to 3.70%
Life table	INSEE	INSEE
Retirement age (depending on business segment):		
• Managerial staff	62/65 years	62/65 years
• Technical, supervisory & clerical staff, and site workers	62/65 years	62/65 years
Salary inflation rate (depending on business segment) ^c	0 to 4%	1% to 2.8%

a A reduction of 50 basis points in the discount rate would increase the obligation by €47m as of 31 December 2019. Under Group accounting policies, any such actuarial losses would be recognised directly in equity.

b A reduction of 20 basis points in the discount rate would increase the obligation by €45m as of 31 December 2019. Under Group accounting policies, any such actuarial losses would be recognised directly in equity.

c Includes general inflation.

20.4 Employee share ownership

Stock options

The total number of effectively exercisable options is 9,151,267.

Quoted market price on 31 December 2019: €37.88

Plan grant date	Outstanding options at 31/12/2019	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
28/03/2013	771,007	29/03/2017	29/03/2014	22.28	771,007
27/03/2014	1,649,602	28/03/2018	28/03/2015	30.32	1,649,602
28/05/2015	2,103,546	29/05/2017	29/05/2016	37.11	2,103,546
30/05/2016	1,780,612	31/05/2018	31/05/2017	29.00	1,780,612
01/06/2017	2,437,842	02/06/2019	02/06/2018	37.99	
01/06/2018	2,519,550	02/06/2020	02/06/2019	41.57	
31/05/2019	2,846,500	01/06/2021	01/06/2020	32.59	
TOTAL	14,108,659				9,151,267

Stock options are effectively exercisable if they meet both of the following conditions:

- they must be legally exercisable as of 31 December 2019, 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 2019, in other words the exercise price must be less than the closing share price on that date (the last quoted price of the year), i.e. €37.88.

Note 21 Disclosures on related parties and remuneration of directors and senior executives

21.1 Related party information

	Expenses		Income		Receivables		Payables	
	2019	2018 restated	2019	2018 restated	31/12/2019	31/12/2018 restated	31/12/2019	31/12/2018 restated
Parties with an ownership interest	6	6						
Joint operations	72	131	208	289	304	265	344	301
Joint ventures and associates	77	35	158	151	178	243	70	69
Other related parties	41	34	124	124	79	63	42	42
TOTAL	196	206	490	564	561	571	456	412
Maturity								
• less than 1 year					495	518	453	408
• 1 to 5 years					39	27	3	4
• more than 5 years					27	26		
of which impairment of doubtful receivables (mainly non-consolidated companies)					65	72		

Identity of related parties:

- parties with an ownership interest: SCDM (a company controlled by Martin and Olivier Bouygues);
- joint operations: primarily construction project companies;
- joint ventures and associates: includes transactions with concession companies, quarry companies and Alstom;
- 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 2019

Direct remuneration in respect of the 2019 financial year for key executives (members of the Group Management Committee) amounted to €18,483,967, comprising basic remuneration of €7,452,702 plus variable remuneration of €11,031,265 linked to 2019 performance including the expense accrued for long-term remuneration arrangements. Remuneration paid to key executives in respect of directorships held at Bouygues SA and various subsidiaries amounted to €327,646.

Remuneration paid to Group non-executive directors in respect of directorships held at Bouygues SA and various subsidiaries amounted to €606,998.

Short-term benefits: none.

Post-employment benefits: Members of the Group Management Committee belong to a top-up retirement scheme based on 0.92% of their reference salary for each year's membership of the scheme. This supplementary pension is capped at eight times the annual French social security ceiling, and management of the scheme is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €3,309,263 in 2019.

Long-term benefits: none.

Termination benefits: The provision for lump-sum retirement benefits payable to members of the Group Management Committee has increased by €2,261,507.

Stock option plan: 320,000 stock options were awarded to members of the Group Management Committee on 31 May 2019, at an exercise price of €32.591 each. The earliest exercise date is 1 June 2021, and the expense recognised in the year ended 31 December 2019 was €127,783.

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 31/12/2019
Net cash of acquired or divested companies	11		7	(13)	(11)	(2)	(8)
Goodwill	(80)		(13)	(28)	(75)		(196)
Non-current assets (other than goodwill)	77	(2)	(54)	(67)	(17)	980	917
Inventories	(2)	(312)	(7)	3	(1)		(319)
Trade receivables	11	1	(8)	(12)	(7)		(15)
Customer contract assets	4		4				8
Other current receivables	8	(3)	(3)	(39)	(5)	1	(41)
Non-current provisions	29	(13)	4				20
Non-current and current debt	1	173	5	26	4		209
Non-current taxes	(1)		2	4	(1)		4
Non-current lease and current lease obligations	2		13				15
Trade payables	(68)	9	(2)	(2)	11		(52)
Customer contract liabilities	12		(4)	17	1		26
Other current liabilities	89	142	23	61	(11)	86	390
PURCHASE PRICE OF CONSOLIDATED ACTIVITIES NET OF DISPOSALS	93	(5)	(33)	(50)	(112)	1,065	958
Cash of acquired or divested companies	(11)		(7)	13	11	2	8
Net liabilities related to consolidated activities	(1)	2	(2)				(1)
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	81	(3)	(42)	(37)	(101)	1,067	965

Acquisitions and divestments in the period generated a net cash inflow of €965 million, and mainly comprised:

- Bouygues Construction: divestment of Bouygues Construction Airport Concessions Europe ("ACE");
- Colas: acquisition of part of the operations of Skanska in Poland, acquisition of Asfalcura (South America), and divestment of Smac (USA);
- TF1: acquisitions of De Mensen and Reel One;
- Bouygues Telecom: acquisitions of Keyyo and Nerim;
- Bouygues SA: partial divestment (13%) of the equity interest in Alstom for €1,064 million, net of costs.

22.2 Changes in working capital related to operating activities

Changes in working capital include changes in current provisions recognised in the balance sheet.

	2019	2018 restated
Assets		
Inventories/Programmes/Broadcasting rights	117	(232)
Advances and down-payments made on orders	65	(58)
Trade receivables	(79)	(314)
Customer contract assets	(149)	(47)
Other current receivables and current financial assets	34	259
SUB-TOTAL	(12)	(392)
Liabilities		
Trade payables	(52)	(161)
Customer contract liabilities	(109)	691
Current provisions	161	21
Other current liabilities and current financial liabilities	(211)	(558)
SUB-TOTAL	(211)	(7)
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES ^a	(223)	(399)

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 2019 (in thousands of euros).

	2019				2018 restated			
	Mazars network		EY network		Mazars network		EY network	
	Amount (excl. VAT)	%						
A - Audit	(9,008)	96%	(6,459)	86%	(8,525)	96%	(5,876)	87%
• Bouygues SA	(243)		(243)		(252)		(252)	
• Consolidated subsidiaries	(8,765)		(6,216)		(8,273)		(5,624)	
B - Non-audit services	(392)	4%	(1,066)	14%	(315)	4%	(872)	13%
TOTAL	(9,400)	100%	(7,525)	100%	(8,840)	100%	(6,748)	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 in respect of the 2019 financial year to audit firms that do not belong to the network of either of the firms that audit the financial statements of Bouygues SA and its subsidiaries was €4,094 thousand (mainly PwC for Colas).

Note 24 Impacts of first-time application of IFRS 16, "Leases" and IFRIC 23, "Uncertainty Over Income Tax Treatments"

This note presents the effects of first-time application of IFRS 16 and IFRIC 23 on the consolidated financial statements and key performance indicators of the Bouygues group.

The Bouygues group has applied IFRS 16 with effect from 1 January 2019, with retrospective application and presentation of a comparative year. For lessees, IFRS 16 ends the distinction previously made between operating leases and finance leases. Lessees are required to account for all leases with a term of more than one year in a manner similar to that previously specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under 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 impacts on the balance sheet as of 31 December 2017 (restated for IFRS 15 and IFRS 9), and on the financial statements as of 31 December 2018, are presented below; they relate mainly to the recognition of a right-of-use asset and a lease obligation, primarily in respect of property leases, mobile sites and optical fibres. The lease term used is the non-cancellable period of the lease, plus any extension options that the Group is reasonably certain to exercise. In the case of leases of property in

France, the lease term is generally nine years. Given the absence of significant initial direct costs, the right-of-use asset equates to the present value of the future lease payments; it is amortised, and written down by means of an impairment allowance if there is an indication that it may have become impaired.

The amounts of finance lease assets and liabilities previously classified as property, plant and equipment and as debt have been reclassified to "Right of use of leased assets" and "Lease obligations" respectively. Deferred taxes have been recognised on the difference between right-of-use assets and lease obligations falling within the scope of IFRS 16, as was previously the case with finance leases.

IFRS 16 has the effect of reducing consolidated shareholders' equity as of 31 December 2017 by €82 million (net of deferred taxes), which is €8 million more than the initial estimate published in the consolidated financial statements for the year ended 31 December 2018. The first-time application of IFRS 16 by Alstom using the simplified retrospective method with effect from 1 April 2019 had no material effect on the shareholders' equity of the Bouygues group.

First-time application of IFRS 16 did not alter the conclusions of the goodwill impairment tests conducted as of 31 December 2018.

The Bouygues group applied IFRIC 23 retrospectively with effect from 1 January 2019, with no restatement of prior period comparatives on first-time application. First-time application had no impact on consolidated shareholders' equity, and resulted in provisions for risks that relate to corporate income taxes being reclassified as tax liabilities. The impact of IFRIC 23 on the balance sheet as of 31 December 2018 is presented below.

Consolidated financial statements as of 31 December 2017, restated for IFRS 16

Balance sheet

Assets	31/12/2017 published ^a	A	B	C	D	E	F	Total IFRS 16 impacts	31/12/2017 restated
Property, plant and equipment	6,658			(19)		(66) ^b		(85)	6,573
Right of use of leased assets		194	46	241	103	855	1	1,440	1,440
Intangible assets	2,132								2,132
Goodwill	5,385								5,385
Investments in joint ventures and associates	2,502								2,502
Other non-current financial assets	568								568
Deferred tax assets and non-current tax receivable	323	4	1	5				10	333
NON-CURRENT ASSETS	17,568	198	47	227	103	789	1	1,365	18,933
Inventories	2,822								2,822
Advances and down-payments made on orders	432								432
Trade receivables	6,130								6,130
Customer contract assets	1,570								1,570
Current tax assets	331								331
Other current receivables and prepaid expenses	2,562	20						20	2,582
Cash and cash equivalents	4,820								4,820
Financial instruments – Hedging of debt	15								15
Other current financial assets	15								15
CURRENT ASSETS	18,697	20						20	18,717
Held-for-sale assets and operations	38								38
TOTAL ASSETS	36,303	218	47	227	103	789	1	1,385	37,688
Liabilities and shareholders' equity	31/12/2017 published ^a	A	B	C	D	E	F	Total IFRS 16 impacts	31/12/2017 restated
Share capital	366								366
Share premium and reserves	7,678	(13)	(3)	(23)	(1)	(36)		(76)	7,602
Translation reserve	(88)								(88)
Treasury shares									
Net profit/(loss) attributable to the Group	1,082								1,082
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	9,038	(13)	(3)	(23)	(1)	(36)		(76)	8,962
Non-controlling interests	1,378				(2)	(4)		(6)	1,372
SHAREHOLDERS' EQUITY	10,416	(13)	(3)	(23)	(3)	(40)		(82)	10,334
Non-current debt	5,791				(9)			(9)	5,782
Non-current lease obligations		176	40	202	93	714		1,225	1,225
Non-current provisions	2,058		1					1	2,059
Deferred tax liabilities	279				(1)	(1)	(14)	(16)	263
NON-CURRENT LIABILITIES	8,128	176	41	192	92	700		1,201	9,329
Current debt	736				(5)	(1)		(6)	730
Current lease obligations		65	9	63	14	130	1	282	282
Current tax liabilities	115								115
Trade payables	7,489	1						1	7,490
Customer contract liabilities	3,184								3,184
Current provisions	885								885
Other current liabilities	5,101	(11)						(11)	5,090
Overdrafts and short-term bank borrowings	209								209
Financial instruments – Hedging of debt	16								16
Other current financial liabilities	24								24
CURRENT LIABILITIES	17,759	55	9	58	14	129	1	266	18,025
Liabilities related to held-for-sale operations									
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,303	218	47	227	103	789	1	1,385	37,688
NET SURPLUS CASH/(NET DEBT) ^c	(1,917)			14		1		15	(1,902)

a The balance sheet as of 31 December 2017 has been restated for the effects of applying IFRS 9 and IFRS 15.

b Includes reclassification of €65m of dismantling costs.

c See Note 2.15.2 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

A Bouygues Construction

B Bouygues Immobilier

C Colas

D TF1

E Bouygues Telecom

F Bouygues SA & other

Consolidated financial statements as of 31 December 2018, restated for IFRS 16 and IFRIC 23

Balance sheet

Assets	31/12/2018 published	A	B	C	D	E	F	Total IFRS 16 impacts	IFRIC 23 impacts	31/12/2018 restated
Property, plant and equipment	7,432		(50)		(55) ^a			(105)		7,327
Right of use of leased assets		249	40	370	98	799	2	1,558		1,558
Intangible assets	2,198									2,198
Goodwill	6,301									6,301
Investments in joint ventures and associates	2,633									2,633
Other non-current financial assets	536									536
Deferred tax assets and non-current tax receivable	317	3	1	5				9		326
NON-CURRENT ASSETS	19,417	252	41	325	98	744	2	1,462		20,879
Inventories	3,154									3,154
Advances and down-payments made on orders	483									483
Trade receivables	6,145									6,145
Customer contract assets	2,270									2,270
Current tax assets	260									260
Other current receivables and prepaid expenses	2,684	23						23		2,707
Cash and cash equivalents	2,928									2,928
Financial instruments – Hedging of debt	11									11
Other current financial assets	10									10
CURRENT ASSETS	17,945	23						23		17,968
Held-for-sale assets and operations	332		8					8		340
TOTAL ASSETS	37,694	275	41	333	98	744	2	1,493		39,187
Liabilities and shareholder's equity										
Share capital	372									372
Share premium and reserves	8,146	(13)	(3)	(23)	(1)	(36)		(76)		8,070
Translation reserve	(103)									(103)
Treasury shares										
Net profit/(loss) attributable to the Group	1,311	(1)	1	(1)	(3)	1	(3)			1,308
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	9,726	(13)	(4)	(22)	(2)	(39)	1	(79)		9,647
Non-controlling interests	1,391			(2)	(4)			(6)		1,385
SHAREHOLDERS' EQUITY	11,117	(13)	(4)	(22)	(4)	(43)	1	(85)		11,032
Non-current debt	5,080		(30)		(2)			(32)		5,048
Non-current lease obligations	222	35	317	85	665	2	1,326			1,326
Non-current provisions	2,068	2					2	(28)		2,042
Deferred tax liabilities	348		(2)	(2)	(15)	(1)	(20)			328
NON-CURRENT LIABILITIES	7,496	222	37	285	83	648	1	1,276	(28)	8,744
Current debt	1,253		(12)		(1)		(13)			1,240
Current lease obligations	77	8	74	19	140		318			318
Current tax liabilities	126							28		154
Trade payables	7,423									7,423
Customer contract liabilities	3,885									3,885
Current provisions	995									995
Other current liabilities	4,790	(11)					(11)			4,779
Overdrafts and short-term bank borrowings	238									238
Financial instruments – Hedging of debt	25									25
Other current financial liabilities	21									21
CURRENT LIABILITIES	18,756	66	8	62	19	139		294	28	19,078
Liabilities related to held-for-sale operations	325		8					8		333
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	37,694	275	41	333	98	744	2	1,493		39,187
NET SURPLUS CASH/(NET DEBT)^b	(3,657)			42		3		45		(3,612)

a Includes reclassification of €55m of dismantling costs.

b See Note 2.15.2 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

A Bouygues Construction

B Bouygues Immobilier

C Colas

D TF1

E Bouygues Telecom

F Bouygues SA & other

Income statement

	FY 2018 published	A	B	C	D	E	F	Total IFRS 16 impacts	FY 2018 restated	
SALES	35,555								35,555	
Other revenues from operations	185								185	
Purchases used in production	(16,715)								(16,715)	
Personnel costs	(7,975)								(7,975)	
External charges	(7,845)	90	11	77	20	157		355	(7,490)	
Taxes other than income tax	(687)								(687)	
Net depreciation and amortisation expense on property, plant and equipment and intangible assets	(1,703)								(1,703)	
Net amortisation expense on right of use of leased assets		(87)	(9)	(68)	(17)	(134)	1	(314)	(314)	
Charges to provisions and impairment losses, net of reversals due to utilisation	(417)								(417)	
Change in production and property development inventories	94								94	
Other income from operations	1,862	8		5				13	1,875	
Other expenses on operations	(843)	(1)						(1)	(844)	
CURRENT OPERATING PROFIT/(LOSS)	1,511	10	2	14	3	23	1	53	1,564	
Other operating income	371								371	
Other operating expenses	(106)								(106)	
OPERATING PROFIT/(LOSS)	1,776	10	2	14	3	23	1	53	1,829	
Financial income	29								29	
Financial expenses	(245)								(245)	
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)	(216)								(216)	
Interest expense on lease obligations		(11)	(2)	(13)	(4)	(27)		(57)	(57)	
Other financial income	81	1						1	82	
Other financial expenses	(64)								(64)	
Income tax	(427)						1	1	(426)	
Share of net profits/losses of joint ventures and associates	303		(1)					(1)	302	
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	1,453		(1)	1	(1)	(3)	1	(3)	1,450	
Net profit/(loss) from discontinued and held-for-sale operations										
NET PROFIT/(LOSS)	1,453		(1)	1	(1)	(3)	1	(3)	1,450	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	1,311		(1)	1	(1)	(3)	1	(3)	1,308	
Net profit/(loss) attributable to non-controlling interests	142								142	
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	3.57								3.56	
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	3.55								3.54	
EBITDA AFTER LEASES ^a	3,144		(1)		1	(1)	(4)	1	(4)	3,140

a See Note 2.15.1 for a definition of "EBITDA after Leases", which includes all lease expenses.

A Bouygues Construction

B Bouygues Immobilier

C Colas

D TF1

E Bouygues Telecom

F Bouygues SA & other

Cash flow statement

	FY 2018 published	A	B	C	D	E	F	Total IFRS 16 impacts	FY 2018 restated
I - CASH FLOW FROM CONTINUING OPERATIONS									
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES									
Net profit/(loss) from continuing operations	1,453		(1)	1	(1)	(3)	1	(3)	1,450
Adjustments:									
Share of profits/losses reverting to joint ventures and associates, net of dividends received	(186)		1				1	(185)	
Dividends from non-consolidated companies	(32)							(32)	
Net charges to/(reversals of) depreciation, amortisation and impairment of property, plant and equipment and intangible assets, and non-current provisions	1,762							1,762	
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		92	9	68	17	134	(1)	319	319
Gains and losses on asset disposals	(420)	(2)					(2)	(422)	
Income taxes, including uncertain tax positions	427					(1)	(1)	426	
Income taxes paid	(520)							(520)	
Miscellaneous non-cash charges	(89)							(89)	
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	2,395	90	9	69	16	130		314	2,709
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	216	11	2	13	4	27		57	273
Changes in working capital requirements related to operating activities (including current impairment and provisions)	(395)	(4)					(4)	(399)	
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	2,216	97	11	82	20	157		367	2,583
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES									
Purchase price of property, plant and equipment and intangible assets	(2,178)							(2,178)	
Proceeds from disposals of property, plant and equipment and intangible assets	605							605	
Net liabilities related to property, plant and equipment and intangible assets	(165)							(165)	
Purchase price of non-consolidated companies and other investments	(31)							(31)	
Proceeds from disposals of non-consolidated companies and other investments	65							65	
Net liabilities related to non-consolidated companies and other investments	15							15	
Purchase price of investments in consolidated activities	(1,568)							(1,568)	
Proceeds from disposals of investments in consolidated activities	113							113	
Net liabilities related to consolidated activities	(1)							(1)	
Other effects of changes in scope of consolidation: cash of acquired and divested companies	(11)							(11)	
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	72							72	
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	(3,084)							(3,084)	

	FY 2018 published	A	B	C	D	E	F	Total IFRS 16 impacts	FY 2018 restated
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES									
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	(22)								(22)
Dividends paid to shareholders of the parent company	(620)								(620)
Dividends paid by consolidated companies to non-controlling interests	(92)								(92)
Change in current and non-current debt	(161)								(161)
Repayment of lease obligations		(86)	(9)	(69)	(16)	(130)		(310)	(310)
Income from net surplus cash/cost of net debt and interest expense on lease obligations	(216)	(11)	(2)	(13)	(4)	(27)		(57)	(273)
Other cash flows related to financing activities	3								3
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	(1,108)	(97)	(11)	(82)	(20)	(157)		(367)	(1,475)
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	54								54
CHANGE IN NET CASH POSITION (A + B + C + D)	(1,922)								(1,922)
NET CASH POSITION AT START OF PERIOD	4,611								4,611
Net cash flows	(1,922)								(1,922)
Non-monetary flows									
Held-for-sale operation	1								1
NET CASH POSITION AT END OF PERIOD	2,690								2,690
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS									
NET CASH POSITION AT START OF PERIOD	9								9
Net cash flows	(10)								(10)
NET CASH POSITION AT END OF PERIOD	1								1
TOTAL FREE CASH FLOW AFTER WCR ^a	427								427

a See Note 2.15.3 for a definition of "Free cash flow after changes in working capital requirements".

A Bouygues Construction

B Bouygues Immobilier

C Colas

D TF1

E Bouygues Telecom

F Bouygues SA & other

Note 25 List of principal consolidated companies at 31 December 2019

Company	City/Country	% interest		% direct and indirect control ^a		
		2019	2018	2019	2018	
FRANCE						
Companies controlled by Bouygues						
Construction						
Bouygues Construction	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	Labège	99.97	99.97			
Brézillon SA	Margny-Les-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			
Bouygues Bâtiment Centre Sud-Ouest	Mérignac	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	Colombier-Saugnieu	99.97	99.97			
Bouygues Bâtiment Grand Ouest	Nantes	99.97	99.97			
Bouygues Construction Central Europe (formerly Kohler Investment)	Saint-Quentin-en-Yvelines	99.97	99.97			
Bouygues Bâtiment Nord-Est	Villeneuve d'Ascq	99.97	99.97			
Linkcity IDF (formerly Sodéarif SA)	Saint-Quentin-en-Yvelines	99.96	99.96			
Bouygues Bâtiment IDF PPP SA	Saint-Quentin-en-Yvelines	99.97	99.97			
Linkcity Sud-Est (formerly Cirmad Grand Sud)	Colombier-Saugnieu	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	96.66	96.65			
Aximum	Magny-les-Hameaux	96.66	96.65	100.00	100.00	
Colas Rail and its subsidiaries	Courbevoie	96.66	96.65	100.00	100.00	
Grands Travaux Océan Indien (GTOI) SA	Le Port (Reunion Island)	96.66	96.65	100.00	100.00	
Smac and its subsidiaries	Issy-les-Moulineaux	Divested	96.65	Divested	100.00	
Spac and its subsidiaries	Nanterre	96.66	96.65	100.00	100.00	
Media						
Télévision Française 1 SA	Boulogne-Billancourt	43.73	43.80			
Aufeminin and its subsidiaries	Paris	43.73	43.80	100.00	100.00	
Dujardin and its subsidiaries	Cestas	43.73	43.80	100.00	100.00	
E-TF1	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
TF1 Séries Films (formerly HD1)	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
La Chaîne Info	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
Neven Studios and its subsidiaries	Paris	43.73 ^b	43.80	100.00	100.00	
TFX (formerly NT1)	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
Télé Monte Carlo	Monaco	43.73	43.80	100.00	100.00	
Téléshopping	Boulogne-Billancourt	Divested	43.80	Divested	100.00	
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
TF1 Entertainment	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
TF1 Publicité	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
TF1 Vidéo	Boulogne-Billancourt	43.73	43.80	100.00	100.00	
Telecoms						
Bouygues Telecom SA and its subsidiaries	Paris	90.53	90.53			
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.

Company	City/Country	% interest		% direct and indirect control ^a		
		2019	2018	2019	2018	
Joint operations						
Construction						
Evesa	Paris	47.49 ^b	47.49		48.00	
Oc'via Construction	Nîmes	73.16 ^c	73.16		74.00	
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						
Alstom	Saint-Ouen	14.67	27.79			
INTERNATIONAL						
Companies controlled by Bouygues						
Construction						
Americaribe Inc.	Miami/United States	99.97	99.97			
AW Edwards Pty and its subsidiaries	Northbridge, 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	Nonthaburi/Thailand	48.99	48.99			
Bouygues UK Ltd	London/United Kingdom	99.97	99.97			
Bouygues E&S Intec AG (Alpiq Engineering Services)	Zurich/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	East Kilbride/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 AG (formerly Mibag Property FM)	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			
Property						
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00			
Roads						
Colas Australia	Sydney/Australia	96.66	96.65	100.00	100.00	
Colas Belgium and its subsidiaries	Brussels/Belgium	96.66	96.65	100.00	100.00	
Colas Canada Inc. and its subsidiaries	Toronto, Ontario/Canada	96.66	96.65	100.00	100.00	
Colas CZ	Prague/Czech Republic	95.79	95.78	99.10	99.10	

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.

Company	City/Country	% interest		% direct and indirect control ^a	
		2019	2018	2019	2018
Colas Danmark A/S	Glostrup/Denmark	96.66	96.65	100.00	100.00
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.66	96.65	100.00	100.00
Colas Inc. and its subsidiaries	Morristown New Jersey/United States	96.66	96.65	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant, Crawley/United Kingdom	96.66	96.65	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.66	96.65	100.00	100.00
Colas Suisse Holding SA and its subsidiaries	Lausanne/Switzerland	95.91	95.90	99.22	99.22
ISK	Kosice/Slovakia	96.66	96.65	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		
Hermes Airports Ltd	Nicosia/Cyprus	Divested	21.99		
Roads					
Gamma Materials	Beau Bassin/Mauritius	48.33	48.33	50.00	50.00
Tipco Asphalt	Bangkok/Thailand	30.06	30.15	31.10	31.20

a Where percentage control differs from percentage interest.

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 2019.

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 2019, 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 that applied to us during the period from 1 January 2019 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 or by the code of ethics of the auditing profession.

Emphasis of matter

Without modifying the opinion expressed above, we draw to your attention the matter described in Note 2 to the consolidated financial

statements regarding the first-time application of IFRS 16 and IFRIC 23, which are mandatorily applicable from 1 January 2019.

Justification of our assessments – Key audit matters

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 assessment 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

Assessed risk

As shown in the consolidated balance sheet for the year ended 31 December 2019, the Group's assets include non-current assets, and in particular €6.5 billion of goodwill and €1.6 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 response

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

Assessed risk

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 costs to completion 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.
- Revenues and margins on construction contracts are particularly sensitive to:
 - measurement of the total selling price of the contract, which takes account of factors such as the contractual terms, price adjustment estimates, and any claims or penalties;
 - methods used to measure the percentage of completion on contracts in construction activities, and on progress towards legal completion of the sale in the case of property sales;
 - methods used to estimate costs incurred and projected future costs (expenditure budgets, assessment of risks and contingencies, scheduling).

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 response

Our principal procedures are summarised below:

- We obtained an understanding of procedures and any dedicated IT systems used by the most material subsidiaries to support the formation of construction contract revenue and monitor the corresponding expenditure.
- We carried out general IT control tests on tools used to monitor contract execution.
- We evaluated and tested the design and implementation of key manual and IT controls used in the Group's most material subsidiaries.
- For activities involving low-value, low-risk contracts, we analysed the portfolio of contracts via an examination of material variances and atypical contributions from certain contracts.
- 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 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 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.
- Based on our experience, we made an overall assessment of the estimates and assumptions supporting the recognition of revenue and profits, and of any provisions for losses to completion.

Provisions for litigation and claims

Assessed risk

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 response

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 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.

Information required under other legal or regulatory obligations

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 2019, Mazars was in its twenty-second uninterrupted year as auditor, and Ernst & Young Audit in its seventeenth.

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

Objectives 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 or business activities within the group to express an opinion on the consolidated financial statements; 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, 19 February 2020

The Statutory Auditors

MAZARS
Gilles Rainaut

ERNST & YOUNG Audit
Laurent Vitse

7.3 PARENT COMPANY FINANCIAL STATEMENTS (French GAAP)

7.3.1 Balance sheet

	31/12/2019 Gross	31/12/2019 Depreciation, amortisation & impairment	31/12/2019 Net	31/12/2018 Net
Assets (€ million)				
Intangible assets	7	5	2	2
Property, plant and equipment				
Long-term investments				
• Holdings in subsidiaries and affiliates	9,658	68	9,590	10,531
• Loans and advances to subsidiaries and affiliates				
• Other	22		22	22
NON-CURRENT ASSETS	9,687	73	9,614	10,555
Inventories and work in progress				
Advances and down-payments made on orders				
Trade receivables	34		34	31
Other receivables	289	2	287	340
Short-term investments	495		495	596
Cash	1,268		1,268	598
CURRENT ASSETS	2,086	2	2,084	1,565
Other assets	57		57	72
TOTAL ASSETS	11,830	75	11,755	12,192
 Liabilities (€ million)			31/12/2019	31/12/2018
Share capital			380	372
Share premium and reserves			3,177	3,009
Retained earnings			1,928	1,674
Net profit/(loss)			1,166	886
Restricted provisions			2	5
SHAREHOLDERS' EQUITY			6,653	5,946
Provisions			46	47
Debt			3,994	4,940
Advances and down-payments received on orders				
Trade payables			25	23
Other payables			153	244
LIABILITIES			4,218	5,254
Overdrafts and short-term bank borrowings			884	991
Other liabilities				1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			11,755	12,192

7.3.2 Income statement

(€ million)	Full year	
	2019	2018
SALES	85	73
Other operating revenues	1	2
Purchases and changes in inventory		
Taxes other than income tax	(3)	(3)
Personnel costs	(60)	(51)
Other operating expenses	(59)	(47)
Depreciation, amortisation, impairment and provisions, net	(2)	(4)
OPERATING PROFIT/(LOSS)	(38)	(30)
Financial income and expenses	1,071	761
PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	1,033	731
Exceptional items	3	1
Statutory and voluntary profit-sharing	(1)	(1)
Income tax	131	155
NET PROFIT/(LOSS)	1,166	886

7.3.3 Cash flow statement

(€ million)	Full year	
	2019	2018
A – Operating activities		
Net profit/(loss)	1,166	886
Amortisation, depreciation and impairment of non current assets, net	(222)	(135)
Charges to/(reversals of) provisions, net	(1)	1
Deferred expenses, deferred income and accrued income		(1)
Gains and losses on disposals of non-current assets	115	
Cash flow after income from net surplus cash/(cost of net debt) and income tax	1,058	751
Current assets	48	(75)
Current liabilities	(92)	34
Change in working capital	(44)	(41)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	1,014	710
B – Investing activities		
Acquisitions of intangible assets and property, plant and equipment	(1)	(1)
Acquisitions and long-term investments	(18)	(9)
Increases in non-current assets	(19)	(10)
Disposals of non-current assets	1,080	
Investments, net	1,061	(10)
Other long-term investments, net		
Amounts receivable/payable in respect of non-current assets, net	2	
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	1,063	(10)
C – Financing activities		
Change in shareholders' equity	175	169
Dividends paid	(631)	(620)
Change in debt	(947)	(518)
Other cash flows from financing activities	2	2
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	(1,401)	(967)
CHANGE IN NET CASH POSITION (A + B + C)	676	(267)
NET CASH POSITION AT START OF PERIOD	203	470
Other non-monetary flows		
Net cash flows	676	(267)
CASH POSITION AT END OF PERIOD	879	203

7.3.4 Notes to the parent company financial statements

Contents (figures expressed in millions of euros)

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Note 1 Significant events of the year

1.1 Holdings in subsidiaries and affiliates

1.1.1 Bygestion 2

On 16 May 2019, Bouygues – in its capacity as sole shareholder – increased the share capital of Bygestion 2 by €2.5 million by issuing 250,000 new shares with a par value of €10, increasing the share capital from €0.05 million to €2.55 million.

1.1.2 GIE Intrapreneuriat Bouygues

GIE Intrapreneuriat Bouygues was founded on 19 June 2019, as a home for maturing intrapreneurship projects from within Bouygues group companies.

1.2 Alstom

On 6 February 2019, the European Commission rejected the merger between Alstom and Siemens, who decided not to challenge that decision. The proposed merger has therefore been abandoned.

On 10 July 2019, the Annual General Meeting of Alstom shareholders approved a dividend of €5.50 per share, as a result of which Bouygues received €341.47 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 of €1,079 million), through a placement by way of an accelerated book-building with institutional investors. Bouygues gave an undertaking to the banks managing the placement to retain these shares for a 180-day lock-up period after the divestment, subject to customary exceptions. After reversing through exceptional items a €114.12 million provision for impairment of the divested equity interest, a net gain of €1.4 million (excluding costs relating to the divestment) was recognised in profit or loss.

As of 31 December 2019, Bouygues SA was still the biggest shareholder in Alstom with a 14.7% interest in the share capital, and also retained two seats on the Alstom Board of Directors.

The impairment loss against the retained investment in Alstom was reversed in full (€128.94 million) on the basis of the average quoted market price of the shares on the last 20 trading days of December 2019.

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.

1.3 Own shares

On 8 January 2019, Bouygues SA bought back 869,832 of its own shares from Natixis for €31.9 million. Those shares were cancelled pursuant to a Board decision of 20 February 2019.

1.4 Bouygues Confiance n°11

On 20 December 2019, Bouygues carried out a capital increase of €150 million (nominal and share premium).

This leveraged employee share ownership plan, known as Bouygues Confiance n°11, involved the issuance of 6,031,363 new shares (see Note 8).

1.5 Bond issue

The October 2010 bond issue of €1,000 million, which bore interest at 3.641%, was redeemed in full on 29 October 2019.

1.6 Uniservice loan

On 1 July 2019, a five-year medium-term loan agreement of €60 million was set up between Bouygues and Uniservice, enabling Uniservice to deposit its recurring cash with Bouygues at the statutory interest rate prevailing in Switzerland.

1.7 Significant events subsequent to 31 December 2019

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 price for 100% of Bombardier Transportation's shares will be settled partly in cash, and partly in newly-issued Alstom shares. Closing of the transaction is expected in the first half of 2021. Bouygues has expressed its support for the deal and has committed to vote in favour of all related resolutions at the Extraordinary General Meeting to be held no later than 31 October 2020. Bouygues has also committed to remaining a shareholder of Alstom until the earlier of that meeting or 31 October 2020. On completion, Bouygues would have an equity interest of approximately 10% in Alstom.

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 2019. 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: 99.804% (July 2005 issue), 98.662% (October 2006 issue), 99.66% (February 2012 issue), 99.681% (October 2012 issue) and 99.046% (December 2016 issue).

2.7 Provisions

These mainly comprise:

2.10 Consolidation

Bouygues SA is the ultimate parent company in the consolidation.

- 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;
- 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 2019;
- 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;
- application of the revised IAS 19, further to the ANC Recommendation of November 2013: actuarial gains and losses are recognised in profit or loss.

Note 3 Non-current assets

	Balance at 31/12/2018	Increases	Decreases	Balance at 31/12/2019
Intangible assets				
Software	7			7
Other				
Gross value	7			7
Accumulated amortisation	(5)			(5)
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	10,835	18	1,195 ^a	9,658
Loans and advances to subsidiaries and affiliates				
Other	22			22
Gross value	10,857	18	1,195	9,680
Impairment	(304)	(9)	(245) ^b	(68)
CARRYING AMOUNT	10,553	9	950	9,612
TOTAL CARRYING AMOUNT	10,553	9	950	9,614

a Includes Alstom: €1,190 million, representing the carrying amount of the 29,150,000 shares divested.

b Includes reversals relating to Alstom: €114.12 million on the divested shares, and €128.94 million on the retained shares (see Note 1.2).

Note 4 Current assets by maturity

	Gross value	< 1 year	> 1 year
Advances and down-payments made on orders			
Trade receivables	34	34	
Other receivables	289	287	2
TOTAL	323	321	2

Note 5 Cash and cash equivalents

	31/12/2019	31/12/2018
Term deposits with maturities of less than 3 months	330	52
Other items	938	546
TOTAL	1,268	598

Note 6 Other assets and liabilities

	31/12/2018	Increases	Decreases	31/12/2019	Amount due in < 1 year
Assets					
Bond issue costs	6		(1)	5	1
Upfront payments on interest rate swaps: deferred charges	49		(7)	42	7
Bond redemption premium	12		(3)	9	2
Bond repurchase premium	4		(4)		
Other	1	1	(1)	1	1
TOTAL	72	1	(16)	57	11
Liabilities					
Upfront payments on interest rate swaps: deferred income	1		(1)		
Other					
TOTAL	1		(1)		

Note 7 Change in shareholders' equity

SHAREHOLDERS' EQUITY AT 31 DECEMBER 2018 (BEFORE APPROPRIATION OF PROFITS)	5,946
Dividends paid	(631) ^a
SHAREHOLDERS' EQUITY AFTER APPROPRIATION OF PROFITS	
Changes in share capital	8 ^b
Changes in share premium and reserves	167 ^b
Retained earnings	
Net profit/(loss) for the period	1,166
Investment grants	
Restricted provisions	(3) ^c
Other movements	
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2019 (BEFORE APPROPRIATION OF PROFITS)	6,653

a The Combined Annual General Meeting of 25 April 2019 approved the payment of a dividend of €1.70 per share.
Bouygues SA paid out €631 million on 3 May 2019.

b Includes €56.9 million from exercise of stock options, partly offset by cancellation of own shares (€31.9 million, see Notes 1.3 and 8), and the Bouygues Confiance n°11 employee share ownership plan: €6 million in share capital and €144 million in share premium.

c Acquisition-related costs for the divested Alstom shares.

Note 8 Composition of share capital

	Number of voting rights	Number of shares
START OF PERIOD	498,684,217	372,377,939
Movements during the period	10,364,049	7,450,181 ^a
End of period	509,048,266	379,828,120
PAR VALUE		€1

Maximum number of potentially dilutive shares: 6,304,767

a Movements during the period:

Exercise of stock options: 2,288,650 shares issued for €56.9 million

- €2.3 million in share capital

- €54.6 million in share premium

Bouygues Confiance n°11 employee share ownership plan: 6,031,363 shares issued for €150 million

- €6 million in share capital

- €144 million in share premium

Own shares: the Board meeting of 20 February 2019 decided to cancel 869,832 of the company's own shares, acquired in January 2019 for €31.9 million.

Bouygues Confiance n°10 employee share ownership plan: the €16.7 million balance of the €150 million capital increase of December 2018 was collected in January 2019.

Bouygues Confiance n°11 employee share ownership plan: the €14.7 million balance of the €150 million capital increase of December 2019 was collected in January 2020.

The impact of this deferred cash settlement is presented in "Other cash flows from financing activities" in the 2019 cash flow statement.

Note 9 Provisions

	31/12/2018	Charge for the year	Reversals during the year		31/12/2019
			Used	Unused	
Provisions for subsidiaries		1			1
Provisions for income taxes (tax risks)	3		(1)	(1)	1
Other provisions	7				7
Provisions for risks	10	1	(1)	(1)	9
Provisions for charges	37	20	(20)		37
TOTAL	47	21	(21)	(1)	46
			(22)		
Operating items		20	(20)		
Financial items		1			
Exceptional items (including taxes)					
		21	(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)				
July 2005 bond issue ^a	764	764		
February 2006 bond issue ^b	255	255		
October 2006 bond issue ^c	603	8		595
February 2012 bond issue ^d	832	32	800	
October 2012 bond issue ^e	724	24	700	
December 2016 bond issue ^f	756	6		750
Other borrowings ^g	60		60	
Total debt	3,994	1,089	1,560	1,345
Trade payables	25	25		
Other payables	153	152	1	
Overdrafts and short-term bank borrowings	884	884		
Deferred income				
TOTAL	5,056	2,150	1,561	1,345

Original amounts, excluding accrued interest:

a July 2005 bond issue:

- Amount: €750 million – Rate: 4.25%
- Redemption terms: redeemable in full at par on 22 July 2020

b Supplementary issue to July 2005 bond issue:

- Amount: €250 million – Rate: 4.25%
- Redemption terms: redeemable in full at par on 22 July 2020

c October 2006 bond issue:

- Amount: £400 million (€595.33 million) – Rate: 5.5%
- Redemption terms: redeemable in full at par on 6 October 2026

d February 2012 bond issue:

- Amount: €800 million – Rate: 4.50%
- Redemption terms: redeemable in full at par on 9 February 2022

e October 2012 bond issue:

- Amount: €700 million – Rate: 3.625%
- Redemption terms: redeemable in full at par on 16 January 2023

f December 2016 bond issue:

- Amount: €750 million – Rate: 1.375%
- Redemption terms: redeemable in full at par on 7 June 2027

g July 2019 loan agreement between Bouygues and Uniservice:

- Amount: €60 million – Rate: statutory interest rate prevailing in Switzerland (see Note 1.6)

Note 11 Details of amounts involving related companies

	Gross amount		Gross amount
Assets		Liabilities	
Long-term investments	9,658	Debt	60
Operating receivables	34	Trade payables	2
Other receivables	21	Other payables	139
Cash and current accounts		Bank overdrafts and current accounts	884
TOTAL	9,713	TOTAL	1,085
Expenses		Income	
Operating expenses	14	Operating income	86
Financial expenses	3	Financial income	1,132
Income tax expense		Income tax gains	102
TOTAL	17	TOTAL	1,320

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		500		500
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		500				500
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)		
Commitment to Economic and Social Committee	1	
Other commitments given ^{a&b}	611	111
TOTAL	612	111
Commitments received (contingent assets)		
Other commitments received ^b	511	
TOTAL	511	

a Includes joint and several underwriting of credit facilities: €100.6 million.
b Includes interest rate swaps (€500 million) and joint and several underwriting of the Francis Bouygues Foundation (€10.5 million over five years from 2020 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

	2019	2018
Dividend income and shares of partnership profits	1,133 ^a	807
Interest income	2	3
Interest expense	(174)	(186)
Other financial income/(expense), net: proceeds from disposals, impairment losses and provisions	110 ^b	137
TOTAL	1,071	761

- a The year-on-year change in dividends of €326 million is mainly attributable to the payment of an exceptional dividend of €341.47 million by Alstom in 2019.
b "Other financial income/(expense), net: proceeds from disposals, impairment losses and provisions" comprises:
• reversal of the impairment loss against the residual shares held in Alstom, amounting to €128.94 million based on the average quoted market price of the shares on the last 20 trading days of December 2019 (see Note 1.2);
• reversals of impairment losses against other shares held and of provisions for risks relating to subsidiaries: +€1.69 million;
• impairment losses charged against other shares held and charges to provisions for risks relating to subsidiaries: -€9.3 million;
• financial amortisation charged against bond premium and negative swaps: -€14.1 million;
• proceeds from disposals of short-term investments: +€2.8 million.

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 2019.

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.

At the end of the period, Bouygues SA recognised an income tax gain, comprising:

	Short-term	Long-term	Total
Net income tax gain/(expense)	4		4
Income tax received from profitable subsidiaries in the tax group	119	3	122
TOTAL	123	3	126

The €5 million difference from the figure reported in the income statement derives from a tax gain of €1 million on tax inspections of subsidiaries included in the group tax election, tax credits lost by subsidiaries that left the group tax election of €3 million, and an adjustment to 2018 income tax of €1 million.

Note 17 Contingent tax position

	31/12/2018		Movements in the year		31/12/2019	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Non-deductible expenses						
Provisions for income taxes	3				2	1
Other non-deductible expenses	24		1	1	24	
TOTAL	27		1	3	25	
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	1				1	
Deferred charges						
Capitalisation bonds						
Liquidity account						
Bond repurchase premium		5	5			
Other income and expenses	1	5	5	1		
TOTAL	1	5	5	1		

As of 31 December 2019, the stock of tax losses available for carry-forward under the group tax election represents a tax base of €401 million.

Note 18 Average number of employees during the year

	2019	2018
Managerial staff	171	149
Administrative, clerical, technical and supervisory staff	14	24
TOTAL	185	173

Note 19 Advances, loans and remuneration paid to directors and senior executives

Remuneration of directors and senior executives in post as of 31 December 2019 in respect of the year then ended:

- The total amount of direct and indirect remuneration of all kinds received by senior executives (Chairman and Chief Executive Officer, and Deputy Chief Executive Officers) was: €3.3 million of basic

remuneration, €5.6 million of variable remuneration based on 2019 performance, and €0.31 million of remuneration for participation in Board meetings of Group companies.

- Remuneration paid to non-executive directors: €0.56 million.

Note 20 List of investments

	Number of shares	%	Estimated realisable value
Alstom	32,936,226	14,671	1,391 ^b
Bouygues Construction	1,705,180	99,938	965 ^c
Bouygues Immobilier	90,930	100,000	471 ^c
Bouygues Telecom	42,158,645	90,164	5,275 ^a
Colas	31,543,222	96,597	2,784 ^c
TF1	91,946,297	43,734	732 ^a
Other holdings			236
TOTAL HOLDINGS IN SUBSIDIARIES AND AFFILIATES			11,854
Negotiable debt instruments and money-market mutual funds			473 ^{a & b}
Capitalisation bonds			1 ^{a & b}
Other investments			21 ^{a & b}
TOTAL SHORT-TERM INVESTMENTS			495
TOTAL INVESTMENTS			12,349

The estimated realisable value shown is:

- a Carrying amount in the balance sheet (net book value).
- b Stock market value (quoted closing price on 31 December 2019).
- c Share of consolidated net assets.

Note 21 List of subsidiaries and affiliates

	Other Share capital ^a	shareholders' equity ^{a & b}	%	Carrying amount ^c		Loans and advances	Guaran- tees ^c	Sales ^c	Net profit/ (loss) ^c	Dividends received ^c
				Gross	Net					
A - Detailed information										
1. SUBSIDIARIES (> 50%)										
France										
Bouygues Construction ^d	128	838	99.94	59	59			13,355	325	219
Bouygues Immobilier ^d	139	332	100.00	315	315			2,706	46	171
Bouygues Telecom ^d	713	3,118	90.16	5,275	5,275			6,058	379	181
Colas ^d	49	2,833	96.60	1,712	1,712			13,688	261	175
TOTAL				7,361	7,361				746	
Other countries										
Uniservice	51	22	99.99	32	32				10	8
TOTAL				32	32				8	
2. AFFILIATES (INTEREST > 10%, ≤50%)										
France										
Alstom ^e	1,571	1,564	14.67	1,345	1,345			4,140	230	341
TF1 ^d	42	1,526	43.73	732	732			2,337	155	37
TOTAL				2,077	2,077				378	
Other countries										
TOTAL										
B - Aggregate information										
3. OTHER SUBSIDIARIES										
France				187	120			47	(6)	
Other countries				1				2		
4. OTHER AFFILIATES										
France								120	7	
Other countries								37		
OVERALL TOTAL				9,658	9,590				1,132	

a In the 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 2019.

e Half-year figures published by Alstom as of 30 September 2019.

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 2019.

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 2019 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 that applied to us during the period from 1 January 2019 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 or by the code of ethics of the auditing profession.

Justification of our assessments – Key audit matters

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

Assessed risk

Long-term investments, as shown in the balance sheet as of 31 December 2019 at an amount of €9.6 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 response

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.

As regards the information required under Article L. 225-37-3 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 entities 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. 225-37-5 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.

Report on corporate governance

We hereby attest that the information required under Articles L. 225-37-3 and L. 225-37-4 of the Commercial Code is contained in the Board of Directors' report on corporate governance.

Information required under other legal or regulatory obligations

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 2019, Mazars was in its twenty-second uninterrupted year as auditor, and Ernst & Young Audit in its seventeenth.

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

Objectives 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, 19 February 2020

The Statutory Auditors

MAZARS
Gilles Rainaut

ERNST & YOUNG Audit
Laurent Vitse

COMBINED ANNUAL GENERAL MEETING OF 23 APRIL 2020

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8.1 AGENDA

8.1.1 Ordinary General Meeting

1. Approval of the parent company financial statements and transactions for the year ended 31 December 2019;
2. Approval of the consolidated financial statements and transactions for the year ended 31 December 2019;
3. Appropriation of 2019 earnings, setting of dividend;
4. Approval of regulated agreements specified in Article L. 225-38 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 Article L. 225-37-3 of the Commercial Code;
8. Approval of the remuneration components and benefits paid during 2019 or awarded in respect of the 2019 financial year to Martin Bouygues;
9. Approval of the remuneration components and benefits paid during 2019 or awarded in respect of the 2019 financial year to Olivier Bouygues;
10. Approval of the remuneration components and benefits paid during 2019 or awarded in respect of the 2019 financial year to Philippe Marien;
11. Approval of the remuneration components and benefits paid during 2019 or awarded in respect of the 2019 financial year to Olivier Roussat;
12. Renewal of the term of office of Alexandre de Rothschild as a director for three years;
13. Appointment of Benoît Maes as a director for three years;
14. 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

15. 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;
16. 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;
17. Amendments to the articles of association;
18. Delegation of powers to the Board of Directors to amend the articles of association to bring them into compliance with legal and regulatory provisions;
19. 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 and transactions for the year ended 31 December 2019, appropriation of 2019 earnings and setting of the dividend (€2.60 per share)

We ask you to approve:

- the parent company financial statements for the year ended 31 December 2019, showing net profit of €1,165,641,196.85;

- the consolidated financial statements for the year ended 31 December 2019, showing net profit attributable to the Group of €1,184 million;
- the transactions recorded in those financial statements, or disclosed in the Board of Directors' management report or in the statutory auditors' report.

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 2019 gave distributable earnings of €3,092,646,666.78, consisting of the following:

- net profit for the year: €1,165,641,196.85;
- transfer to the legal reserve: -€745,018.10;
- retained earnings brought forward: €1,927,750,488.03.

We propose to appropriate earnings as follows:

- distribute a total dividend of €987,533,112;
- appropriate the remainder, i.e. €2,105,093,554.78, to retained earnings.

The payout represents an ordinary dividend of €1.70 and an exceptional dividend of €0.90 for each of the 379,828,120 existing shares at 31 December 2019. 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 €2,105,093,554.78.

The dividend payment date is 7 May 2020. The ex-date and record date have been set at 5 May 2020 and the evening of 6 May 2020 respectively.

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 table in the third resolution below.

First resolution

(APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS AND TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2019)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, and having acquainted itself with the Board of Directors' management report and the auditors' report on the parent company financial statements, hereby approves the parent company financial statements for the year ended 31 December 2019 as presented to it, showing a net profit of €1,165,641,196.85, as well as the transactions recorded in those financial statements and summarised in those reports.

Second resolution

(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS AND TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2019)

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 2019, the Board of Directors' report on the management of the Group included in the management report in accordance with Article L. 233-26 of the Commercial Code, and the auditors' report on the consolidated financial statements, hereby approves the consolidated financial statements for the year ended 31 December 2019, showing a net profit attributable to the Group of €1,184 million, as well as the transactions recorded in those financial statements and summarised in those reports.

Third resolution

(APPROPRIATION OF 2019 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 2019 amounts to €1,165,641,196.85, which minus the transfer to the legal reserve of €745,018.10 and plus retained earnings of €1,927,750,488.03 gives distributable earnings of €3,092,646,666.78.

The meeting resolves, on the proposal of the Board of Directors, to appropriate earnings as follows:

€	
Net profit for the year	1,165,641,196.85
Transfer to the legal reserve	(745,018.10)
Retained earnings brought forward	1,927,750,488.03
Appropriation	
Ordinary dividend ^a	645,707,804
Exceptional dividend ^b	341,845,308
Retained earnings carried forward	2,105,093,554.78

a €1.70 x 379,828,120 shares (number of shares at 31 December 2019).

b €0.90 x 379,828,120 shares (number of shares at 31 December 2019).

Accordingly, the dividend for the year ended 31 December 2019 is hereby set at a total of €2.60 per share carrying dividend rights.

The ex-date for the Euronext Paris market will be 5 May 2020, and the dividend will be payable in cash on 7 May 2020 based on positions qualifying for payment on the evening of 6 May 2020.

The entire dividend payout will be eligible for the optional 40% tax relief mentioned in paragraph 2 of Article 158-3 of the General Tax Code.

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 paid for financial years 2016, 2017 and 2018:

	2016	2017	2018
Number of shares	354,908,547	366,125,285 ^c	372,377,939 ^d
Ordinary dividend per share	€1.60	€1.70	€1.70
Total dividend ^{a & b}	€567,837,675.20	€620,427,649.70	€631,323,719.80

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.

Resolution 4 – Approval of regulated agreements

We ask you to approve the regulated agreements entered into in 2019, between Bouygues and:

- any of its corporate officers (Executive Officer, director);
- any company in which a corporate officer of Bouygues also holds a directorship;
- any 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.

The Board of Directors has authorised the renewal of the regulated agreements set out below for 2020. As in previous years, we ask you to approve these regulated agreements.

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, finance, communication, sustainable development, patronage, new technologies, insurance, legal affairs and innovation consultancy. 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 (i) rules for allocating and invoicing the cost of shared services, including specific services, and (ii) the subsidiaries bearing 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 2019, Bouygues invoiced the following amounts under these shared service agreements:

- Bouygues Construction: €20.1 million
- Colas: €18.8 million
- TFI: €3.5 million
- Bouygues Telecom: €9.3 million

Reciprocal service agreement between Bouygues and SCDM

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.

Under the terms of this agreement, SCDM invoices Bouygues for costs actually incurred, subject to a cap of €7 million a year. The amount invoiced by SCDM to Bouygues in 2019 was €5.92 million. This amount mainly corresponds to the salaries of Martin Bouygues and Olivier Bouygues, which are paid by SCDM. The remainder is for the salaries of the strategy and development team, including social security and tax charges. In 2019, the team primarily worked on the sale by Bouygues of a 13% equity interest in Alstom.

Bouygues provides assistance and support services to SCDM, such as cash management, human resources management and IT support. Invoicing is at market rates, amounting to €0.4 million excluding VAT in 2019.

Amendment to the internal audit service agreement between Bouygues and Bouygues Telecom; the amount of services sourced from Bouygues is €350,000 excluding VAT for 2020, the same as in 2019

Fourth resolution

(APPROVAL OF REGULATED AGREEMENTS SPECIFIED IN ARTICLE L. 225-38 OF THE COMMERCIAL CODE)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to Article L. 225-40 of the Commercial Code, and having acquainted itself with the auditors' special report, 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)

The remuneration of corporate officers is rightly attracting growing attention from shareholders and investors, and recent regulations have imposed more stringent requirements concerning the transparency of such remuneration and the powers of general meetings. This Universal Registration Document and the draft resolutions we are asking you to approve take account of these developments.

- In the fifth resolution, we ask you to approve the remuneration policy for all the Executive Officers: Chairman and Chief Executive Officer, and the Deputy Chief Executive Officers.
- In the sixth resolution, we ask you for the first time to approve the remuneration policy for directors.

This policy has been decided on by the Board of Directors on the basis of proposals from the Selection and Remuneration Committee. The policy helps to secure the long-term future of the company and is in line with its commercial strategy. It is presented 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 pursuant to paragraph II of Article L. 225-37-2 of the Commercial Code, and having acquainted itself with the Report on corporate governance, 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 pursuant to paragraph II of Article L. 225-37-2 of the Commercial Code, and having acquainted itself with the Report on corporate governance, 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 paid to corporate officers in respect of the year ended

31 December 2019 (ex post Say on Pay)

Section 5.4.2 (Remuneration of corporate officers) of this Universal Registration Document provides the required information on the remuneration of corporate officers (Chairman and Chief Executive Officer, Deputy Chief Executive Officers, directors):

- paid in 2019; or
- awarded in respect of that year.

Pursuant to paragraph II of Article L. 225-100 of the Commercial Code, in the seventh resolution we ask you to approve all that information.

Then, in four separate resolutions, in accordance with paragraph III of Article L. 225-100 of the Commercial Code, you will vote in turn on the remuneration paid or awarded in respect of the 2019 financial year in consideration of their office, to:

- Martin Bouygues, Chairman and Chief Executive Officer (Resolution 8)
- Olivier Bouygues, Deputy Chief Executive Officer (Resolution 9)
- Philippe Marien, Deputy Chief Executive Officer (Resolution 10)
- Olivier Roussat, Deputy Chief Executive Officer (Resolution 11)

Seventh resolution

(APPROVAL OF THE INFORMATION ABOUT THE REMUNERATION OF CORPORATE OFFICERS MENTIONED IN ARTICLE L. 225-37-3 OF THE COMMERCIAL CODE)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to paragraph II of Article L. 225-100 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. 225-37-3 of the Commercial Code and presented in section 5.4.2 (Remuneration of corporate officers in 2019) of this Universal Registration Document.

Eighth resolution

(APPROVAL OF THE REMUNERATION COMPONENTS AND BENEFITS PAID DURING 2019 OR AWARDED IN RESPECT OF THE 2019 FINANCIAL YEAR TO MARTIN BOUYGUES)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to paragraph III of Article L. 225-100 of the Commercial Code, 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 the year ended 31 December 2019 or awarded in respect of that year to Martin Bouygues. Those components are presented in section 5.4.2 (Remuneration of corporate officers in 2019) of this Universal Registration Document.

Ninth resolution

(APPROVAL OF THE REMUNERATION COMPONENTS AND BENEFITS PAID DURING 2019 OR AWARDED IN RESPECT OF THE 2019 FINANCIAL YEAR TO OLIVIER BOUYGUES)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to paragraph III of Article L. 225-100 of the Commercial Code, 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 the year ended 31 December 2019 or awarded in respect of that year to Olivier Bouygues. Those components are presented in section 5.4.2 (Remuneration of corporate officers in 2019) of this Universal Registration Document.

Tenth resolution

(APPROVAL OF THE REMUNERATION COMPONENTS AND BENEFITS PAID DURING 2019 OR AWARDED IN RESPECT OF THE 2019 FINANCIAL YEAR TO PHILIPPE MARIEN)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to paragraph III of Article L. 225-100 of the Commercial Code, 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 the year ended 31 December 2019 or awarded in respect of that year to Philippe Marien. Those components are presented in section 5.4.2 (Remuneration of corporate officers in 2019) of this Universal Registration Document.

Eleventh resolution

(APPROVAL OF THE REMUNERATION COMPONENTS AND BENEFITS PAID DURING 2019 OR AWARDED IN RESPECT OF THE 2019 FINANCIAL YEAR TO OLIVIER ROUSSAT)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings pursuant to paragraph III of Article L. 225-100 of the Commercial Code, 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 the year ended 31 December 2019 or awarded in respect of that year to Olivier Roussat. Those components are presented in section 5.4.2 (Remuneration of corporate officers in 2019) of this Universal Registration Document.

Resolutions 12 and 13 – Renewal, for three years, of the term of office of one director and appointment of one independent director

The terms of office of two directors (Helman le Pas de Sécheval and Alexandre de Rothschild) expire at the end of the Ordinary General Meeting of 23 April 2020.

Having served on the Board of Directors for twelve years, under the Afep-Medef Code Helman le Pas de Sécheval can no longer be regarded as an independent director.

On a proposal from the Selection and Remuneration Committee, we ask you to:

- renew the term of office of Alexandre de Rothschild (Resolution 12).

Alexandre de Rothschild is Executive Chairman of Rothschild & Co Gestion, the managing partner of Rothschild & Co. He has extensive knowledge of financial analysis, mergers and acquisitions, and industrial strategy. The directors appreciate his international experience; and

- appoint Benoît Maes as director to replace Helman le Pas de Sécheval (Resolution 13).

Benoît Maes meets all the independence criteria defined by the Afep-Medef Code; he will bring to the Board his expertise in finance as well as his knowledge of the property sector.

Terms of office

In accordance with the articles of association, their terms of office will be for a period of three years, expiring at the end of the Ordinary General Meeting called in 2023 to approve the financial statements for the year ended 31 December 2022.

Composition of the Board of Directors after the Annual General Meeting

If you adopt the twelfth and thirteenth resolutions, the Board of Directors will still have thirteen members:

- Four directors from the SCDM group:
 - Martin Bouygues (Chairman and CEO)
 - Olivier Bouygues (Deputy CEO)
 - SCDM, represented by Charlotte Bouygues
 - SCDM Participations, represented by William Bouygues
- Five independent directors:
 - Clara Gaynard
 - Anne-Marie Idrac
 - Benoît Maes
 - Colette Lewiner
 - Rose-Marie Van Lerberghe
- One non-independent external director:
 - Alexandre de Rothschild
- Two directors representing employee shareholders:
 - Raphaëlle Deflesselle
 - Michèle Vilain
- One director representing employees:
 - Francis Castagné

Two directors representing employees will be nominated by the Group Council on 4 June 2020. The first will replace Francis Castagné, and the second will be subject to approval by the Annual General Meeting of the amendment to the articles of association under the seventeenth resolution, to make it comply with the Pacte law.

The proportion of independent directors (calculated excluding directors representing employees and employee shareholders) will remain unchanged at five out of ten (50%).

The proportion of women directors (calculated excluding directors representing employees) will remain unchanged at seven out of twelve (58%).

The average age (calculated at the date of the Annual General Meeting) will increase from 55.8 years to 56.4 years.

Twelfth resolution

(RENEWAL OF THE TERM OF OFFICE OF ALEXANDRE DE ROTHSCHILD AS A DIRECTOR FOR THREE YEARS)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, renews the term of office of Alexandre de Rothschild as a director for three years. This term shall expire at the end of the Annual General Meeting called to approve the financial statements for 2022.

Thirteenth resolution

(APPOINTMENT OF BENOÎT MAES AS A DIRECTOR FOR THREE YEARS)

The Annual General Meeting, having satisfied the quorum and majority requirements for ordinary general meetings, appoints Benoît Maes as a director for three years, replacing Helman le Pas de Sécheval whose term of office expires at the end of this Annual General Meeting. Benoît Maes' term of office shall expire at the end of the Annual General Meeting called to approve the financial statements for 2022.

Resolution 14 – 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 19 February 2020 to restrict the objectives of the share buyback programme to points 1, 3 and 4 above. The Board 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 transactions 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 2019, the following transactions in Bouygues shares took place:

- 869,832 shares were cancelled on 20 February 2019;
- 1.76 million shares were purchased and 1.17 million shares sold 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.

Fourteenth 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. 225-209 of the Commercial Code, and having acquainted itself with the Board of Directors' report including its description of the share buy-back 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 Articles L. 225-209 et seq. 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 free shares, 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 buy-back 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

Resolution 15 – Allows the Board to reduce the share capital by cancelling shares

Object 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 the various share buyback authorisations given by the Annual General Meeting, particularly under the fourteenth 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 authorisation

Eighteen months.

Fifteenth 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. 225-209 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 own initiative, 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 buy-back 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 16 – Allows the Board to issue equity warrants free of charge during the period of a public offer for the company's shares

Object and 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 the waiver of pre-emptive rights to the ordinary shares in the company to which the warrants would give entitlement.

This means that equity warrants giving entitlement to subscribe on preferential terms to shares in the company 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 share 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 initiator and target company must ensure that their acts, decisions and statements do not compromise the best interests of the company, or the equality of treatment and of access to information for the shareholders of the companies concerned. In addition, if the board of directors of the target company takes a decision, which if implemented is liable to frustrate the offer, 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.

The number of equity warrants may not exceed one quarter of the existing number of shares or 95,000,000.

Duration of delegation

Eighteen months.

Sixteenth 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 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 the 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. These 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 and 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 17 – Amendments to the articles of association

Proposed amendments

We propose to amend certain provisions of your company's articles of association in order to clarify certain points or to take into account certain legislative or regulatory developments.

These amendments relate to the following points:

1. Competence of the Board of Directors to move the registered office to any location in France.

The Board of Directors is henceforth competent to decide to move the registered office to any location in France, subject to ratification of that decision by the next subsequent Ordinary General Meeting (Article L. 225-36 of the Commercial Code). We propose to update Article 4 of the articles of association on this point.

2. Cancellation of provisions concerning the identification of bearer shareholders.

We propose to delete Article 8.2 of the articles of association which gave a detailed description of the procedure for identifying shareholders. This is because the regime governing the identification of bearer shareholders has been reformed by the Pacte law of 22 May 2019. Henceforth, with no requirement to stipulate this in the articles of association, Bouygues or its agent is entitled to request at any time and for a fee, either from the central depositary which acts as issuance account-holder for its securities, or directly from one or more intermediaries, information concerning the owners of its shares and of securities conferring (immediately or in the future) voting rights at its general meetings of shareholders.

3. Shares and voting rights taken into account in calculating the crossing of share ownership thresholds specified in the articles of association.

We propose to supplement the current Article 8.3 of the articles of association (renumbered 8.2). This involves replicating, for the purposes of calculating the crossing of ownership thresholds specified in the articles of association, the equivalences of shares and voting rights mentioned in Article L. 233-9 I of the Commercial Code. The calculation method for thresholds in the articles of association will therefore be aligned on that used for statutory thresholds.

So henceforth, in calculating whether the ownership thresholds specified in the articles of association have been crossed, it will be clear that shares (and the attached voting rights) will be included in the calculation where they are regarded as equivalent to owned shares, i.e.:

- shares or voting rights owned by other persons on behalf of the person concerned;
- shares or voting rights owned by companies which that person controls;
- shares or voting rights owned by a third party with whom that person acts in concert.

4. Increase in the number of directors representing employees.

The Pacte law of 22 May 2019 reduced from twelve to eight the number of directors above which the company must appoint a second director representing employees. We propose to amend Article 13.3 of the articles of association to take account of this change.

As a consequence of this amendment the Group Council which will meet on 4 June 2020 will designate a second director representing employees.

5. Amendment to the registration date for double voting rights.

We propose that you amend the second paragraph of Article 12 of the articles of association on the exercise of double voting rights by amending the registration date for exercising that right so that it complies with Article R. 225-85 of the Commercial Code. Shareholders will have to provide proof that they have held registered shares for more than two years no later than the second day preceding the general meeting of shareholders, rather than the third day as previously.

6. Decisions that can be taken by the Board of Directors by written consultation of the Board of Directors consulting the Chairman in writing.

In principle, the Board of Directors takes its decisions at meetings attended by directors, who participate in the meeting (if necessary by means of telecommunication). However since the Soilihi law No. 2019-744 of 19 July 2019, the articles of association may authorise the Board to take certain decisions by consulting the directors in writing. It is against this background that we propose to amend Article 14 of the articles of association to authorise the Board to take the following decisions by consulting the Chairman in writing:

- provisional appointment of Board members in the event a vacancy arises;
- authorisation of guarantees, endorsements and sureties given by the company;
- amendment of the articles of association in order to bring them into compliance with legal and regulatory requirements, on authority delegated by a general meeting of shareholders;
- convening of a general meeting of shareholders;
- moving the registered office to another location within the same département.

Written consultation of the directors may be by e-mail.

7. Social and environmental impacts to be taken into consideration by the Board of Directors.

According to the Pacte law of 22 May 2019, the Board of Directors lays down guidelines for the company's business and ensures that they are implemented "in accordance with the corporate interest, taking into consideration the social and environmental impacts of the company's business". We propose that you supplement Article 15 of the articles of association to make it comply with this law.

8. Remuneration of directors.

The Pacte law replaces the expression "directors' fees" with "directors' remuneration". We propose that you update Article 16 of the articles of association to comply with Article L. 225-44 of the Commercial Code.

Seventeenth resolution

(AMENDMENTS TO THE ARTICLES OF ASSOCIATION)

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 the articles of association as follows:

- 1. Moving the registered office:** amendment to Article 4 as follows:

Existing version	Amended version
<p>The registered office shall be located at 32 Avenue Hoche, 75008 Paris (France).</p> <p>The Board of Directors may decide to move the registered office within the same département or to an adjacent département subject to ratification by the next subsequent general meeting of shareholders. An extraordinary general meeting may decide to move the registered office to any other place.</p>	<p>The registered office shall be located at 32 Avenue Hoche, 75008 Paris (France).</p> <p>The Board of Directors may decide to move the registered office anywhere on French territory subject to ratification by the next subsequent ordinary general meeting of shareholders.</p>

- 2. Identification of bearer shareholders:** deletion of Article 8.2. As a result, Article 8.3 becomes Article 8.2.

- 3. Disclosure thresholds:** insertion of a new paragraph at the end of the new Article 8.2, to read as follows:

"In implementing the disclosure requirements stipulated by the articles of association as contained in the present Article, the equivalences and calculation methods specified by Articles L. 233-7 and L. 233-9 of the Commercial Code or the AMF General Regulation shall be applied."

- 4. Directors representing employees:** amendment to Article 13.3 as follows:

Existing version	Amended version
<p>In accordance with Article L. 225-27-1 of the Commercial Code, the Board of Directors shall also include either one or two directors representing employees.</p> <p>Those directors shall be nominated by the Group Council governed by Articles L. 233-1 et seq. of the Labour Code, in accordance with the following rule:</p> <ul style="list-style-type: none"> • where the number of members of the Board of Directors appointed by the general meeting, excluding directors representing employee shareholders, is twelve or less, the Group Council shall appoint one director representing employees; • where the number of members of the Board of Directors appointed by the general meeting, excluding directors representing employee shareholders, is more than twelve, the Group Council shall appoint two directors representing employees. <p>The term of office of directors representing employees shall commence on the date of their nomination; it shall expire two years from that date and may be renewed once.</p> <p>If the number of members of the Board of Directors appointed by the general meeting of shareholders falls to twelve or less, the terms of office of the two directors representing employees shall continue until they expire.</p> <p>The term of office of a director representing employees shall automatically end early in the event of the termination of the director's employment contract (except in the case of an intra-Group transfer) or if the company that employs the director leaves the Bouygues group.</p>	<p>In accordance with Article L. 225-27-1 of the Commercial Code, the Board of Directors shall also include either one or two directors representing employees.</p> <p>Those directors shall be nominated by the Group Council governed by Articles L. 233-1 et seq. of the Labour Code, in accordance with the following rule:</p> <ul style="list-style-type: none"> • where the number of members of the Board of Directors appointed by the general meeting, excluding directors representing employee shareholders, is eight or less, the Group Council shall appoint one director representing employees; • where the number of members of the Board of Directors appointed by the general meeting, excluding directors representing employee shareholders, is more than eight, the Group Council shall appoint two directors representing employees. <p>The term of office of directors representing employees shall commence on the date of their nomination; it shall expire two years from that date and may be renewed once.</p> <p>If the number of members of the Board of Directors appointed by the general meeting, excluding directors representing employee shareholders, falls to eight or less, the terms of office of the two directors representing employees shall continue until they expire.</p> <p>The term of office of a director representing employees shall automatically end early in the event of the termination of the director's employment contract (except in the case of an intra-Group transfer) or if the company that employs the director leaves the Bouygues group.</p>

- 5. Amendment to the registration date for double voting rights:** amendment to the second paragraph of Article 12 as follows:

Existing version	Amended version
<p>However, double voting rights shall be granted on the conditions stipulated by law to all fully paid-up shares which can be shown, no later than the third day before the date of the general meeting of shareholders, to have been registered for at least two years in the name of the same shareholder or in the name of a person in whom such rights are vested through testate or intestate succession, partition of marital community or donation <i>inter vivos</i> by the donor to his or her spouse or to a relative in the line of succession.</p>	<p>However, double voting rights shall be granted on the conditions stipulated by law to all fully paid-up shares which can be shown, no later than the second day before the date of the general meeting of shareholders, to have been registered for at least two years in the name of the same shareholder or in the name of a person in whom such rights are vested through testate or intestate succession, partition of marital community or donation <i>inter vivos</i> by the donor to his or her spouse or to a relative in the line of succession.</p>

6. Decisions that may be taken by written consultation of the Board of Directors: insertion at the end of Article 14 of two new paragraphs, to read as follows:

"The following decisions may, at the request of the Chairman, be taken by written consultation of the Board of Directors:

- provisional appointment of Board members;
- authorisation of guarantees, endorsements and sureties given by the company;
- decisions to amend the articles of association in order to bring them into compliance with legal and regulatory requirements, on authority delegated by a general meeting of shareholders;

- convening a general meeting of shareholders;
- moving the registered office within the same département.

Written consultation of the directors may be by e-mail. Decisions taken in this way shall be recorded in minutes prepared by the Chairman of the Board of Directors. Those minutes shall be archived on the same basis as other decisions taken by the Board of Directors."

7. Powers of the Board of Directors: amendment of the first sentence of Article 15 as follows:

Existing version

The Board of Directors shall lay down guidelines for the company's business and ensure that they are implemented.

Amended version

The Board of Directors shall lay down guidelines for the company's business and ensure that they are implemented in the corporate interest, taking into consideration the social and environmental impacts of the company's business.

8. Remuneration of directors: amendment of the first paragraph of Article 16 as follows:

Existing version

The Board of Directors shall receive directors' fees, which shall be charged to overheads. The amount shall be determined by the general meeting of shareholders and shall remain the same until decided otherwise. The Board of Directors shall decide how the fees are to be shared among its members.

Amended version

The Board of Directors shall receive an amount charged to overheads, with a view to remunerating directors for their activities. The amount shall be set by a general meeting of shareholders and remain unchanged until otherwise decided. The Board of Directors shall decide how it is to be shared among its members.

Resolution 18 – Delegation of powers to the Board of Directors to bring the articles of association into compliance with regulatory provisions

Object and purpose of the delegation

We propose to allow the Board of Directors to amend the articles of association to bring them into compliance with legal or regulatory provisions.

Only an extraordinary general meeting is in principle competent to amend the articles of association. However, company law is constantly evolving and amendments to the articles of association are frequently necessary to bring them into conformity with new provisions. Law 2016-1691 of 9 December 2016 allows the Board of Directors, on delegation by the general meeting of shareholders, to amend the articles of association for this purpose. If the Board uses this delegation of powers, amendments made to the articles of association are subject to ratification by the next subsequent general meeting of shareholders.

Eighteenth resolution

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO AMEND THE ARTICLES OF ASSOCIATION TO BRING THEM INTO COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS)

The Annual General Meeting, having satisfied the quorum and majority requirements for extraordinary general meetings pursuant to Article L. 225-36 of the Commercial Code and having acquainted itself with the Board of Directors' report, hereby delegates powers to the Board of Directors to make such amendments to the articles of association as are necessary to bring them into compliance with legal and regulatory provisions, subject to ratification of those amendments by the next subsequent extraordinary general meeting of shareholders.

Resolution 19 – 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.

Nineteenth 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 carry out all necessary filings, publications and declarations stipulated by the applicable legal and regulatory provisions.

8.2.3 Financial authorisations submitted to the Combined Annual General Meeting

- The table below summarises the financial authorisations that we ask you to confer on the Board of Directors during the Combined Annual General Meeting of 23 April 2020.
- In accordance with paragraph 3 of Article L. 225-37-4 of the Commercial Code, the table summarising the 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 2019, are set out in the Report on corporate governance in chapter 5, section 5.3.8 of this Universal Registration Document.
- The authorisations mentioned in the table below replace any previous resolutions with the same purpose.

Purpose	Maximum nominal amount	Expiry/Duration
Share buybacks and reduction in share capital		
1. Purchase by the company of its own shares (Resolution 14)	<ul style="list-style-type: none">5% of the share capital, maximum price of €55 per shareTotal outlay capped at €1 billion	23 October 2021 (18 months)
2. Reduce the share capital by cancelling shares (Resolution 15)	<ul style="list-style-type: none">10% of the share capital in any 24-month period	23 October 2021 (18 months)
Securities issues		
3. Issue equity warrants during the period of a public offer (Resolution 16)	<ul style="list-style-type: none">Capital increase: €95 million in nominal value and 25% of the share capitalThe number of warrants is capped at one quarter of the number of existing shares and 95 million	23 October 2021 (18 months)

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 2019)

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 and commitments 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 approved by Annual General Meetings in previous years.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC. 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 2019, which were approved by the Board of Directors prior to signature.

1) Shared service agreements

At its 13 November 2019 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 2019.

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 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 2019 financial year. It will impact the 2020 financial year.

PERSONS CONCERNED

- **Bouygues Construction:** Olivier Bouygues, William Bouygues and Olivier Roussat (directors), Philippe Marien (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), Philippe Marien (standing representative of Bouygues on the Board of Directors of Colas);
- **TFI:** Martin Bouygues, Olivier Bouygues and Olivier Roussat (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of TFI);
- **Bouygues Telecom:** Olivier Roussat (Chairman of the Board of Directors), Charlotte Bouygues and Olivier Bouygues (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

2) Service agreement with SCDM

At its 13 November 2019 meeting, the Board of Directors authorised the renewal of the service agreement, which covers the services described below, for a period of one year starting 1 January 2020.

Under this agreement, SCDM, a company owned by Martin Bouygues and Olivier Bouygues, contributes to initiatives in favour of the Bouygues group on an ongoing basis (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 management, human resources, information technology, and legal and financial services.

REASONS JUSTIFYING THE BENEFIT OF THIS AGREEMENT FOR BOUYGUES

This agreement enables Bouygues to benefit from the services of Martin Bouygues and Olivier Bouygues, who are paid exclusively by SCDM, and of the members of the small group that supports them 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 €7 million a year.

- salaries, to an amount corresponding to:
- the remuneration awarded to Martin Bouygues and Olivier Bouygues by the Bouygues Board of Directors, at the proposal of the Selection and Remuneration Committee, for their duties as corporate officers. This amount includes a fixed and a variable component, as well as the corresponding social security and tax charges;
- remuneration paid to their 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 2019 financial year. It will impact the 2020 financial year.

PERSONS CONCERNED

- **SCDM:** Martin Bouygues (Chairman), Olivier Bouygues (CEO), Charlotte Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), William Bouygues (standing representative of SCDM Participations on the Board of Directors of Bouygues).

3) Amendment to the internal audit service agreement between Bouygues and Bouygues Telecom

At its 13 November 2019 meeting, the Board of Directors authorised the conclusion of a fifth amendment to the internal audit service agreement between Bouygues and Bouygues Telecom, to extend it to 31 December 2020; 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 2019 financial year. It will impact the 2020 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), Charlotte Bouygues and Olivier Bouygues (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

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 25 April 2019 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 2019.

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 2019, Bouygues invoiced the following amounts under these shared service agreements:

€	Amount excluding VAT
Bouygues Construction	20,088,602
Colas	18,843,153
TF1	3,484,032
Bouygues Telecom	9,266,887

PERSONS CONCERNED

- **Bouygues Construction:** Olivier Bouygues, William Bouygues and Olivier Roussat (directors), Philippe Marien (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), Philippe Marien (standing representative of Bouygues on the Board of Directors of Colas);

- **TF1:** Martin Bouygues, Olivier Bouygues and Olivier Roussat (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of TF1);
- **Bouygues Telecom:** Olivier Roussat (Chairman of the Board of Directors), Charlotte Bouygues and Olivier Bouygues (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

In accordance with the authorisation of the Board of Directors of 14 November 2018.

2) Service agreement with SCDM

The Combined Annual General Meeting of 25 April 2019 approved the renewal of the service agreement between Bouygues and SCDM for a period of one year starting 1 January 2019.

FINANCIAL TERMS ASSOCIATED WITH THIS AGREEMENT

Under this agreement concluded in the 2019 financial year, SCDM invoiced Bouygues €5,919,350 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 €407,892.

PERSONS CONCERNED

- **SCDM:** Martin Bouygues (Chairman), Olivier Bouygues (CEO), Charlotte Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), William Bouygues (standing representative of SCDM Participations on the Board of Directors Bouygues).

In accordance with the authorisation of the Board of Directors of 14 November 2018.

3) Supplementary retirement benefits granted to senior executives

COMMITMENTS RELATING TO DEFINED-BENEFIT SCHEMES TO WHICH EXECUTIVE OFFICERS OF BOUYGUES ARE ENTITLED

The Combined Annual General Meeting of 25 April 2019 approved the renewal, for the 2019 financial year, of the defined-benefit collective pension agreement for members of the Group Management Committee, which includes the Executive Officers and salaried directors of Bouygues.

FINANCIAL TERMS ASSOCIATED WITH THESE AGREEMENTS

The contribution paid by Bouygues for 2019 in respect of the four Executive Officers (in their capacity as Executive Officers of Bouygues SA) into the asset fund operated by the insurance company amounted to €1.8 million excluding VAT, or €2.3 million after applying the social security levy (URSSAF) of 24%.

CROSS-CHARGING TO BUSINESS SEGMENTS OF PENSION CONTRIBUTIONS FOR THEIR SENIOR EXECUTIVES

The Combined Annual General Meeting of 25 April 2019 approved 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 one year starting 1 January 2019.

FINANCIAL TERMS ASSOCIATED WITH THESE AGREEMENTS

Bouygues invoiced the following amounts to the subsidiaries (including the 24% levy):

€	Amount excluding VAT
Bouygues Construction	604,598
Colas	568,453
TF1	604,598
Bouygues Telecom	241,840

PERSONS CONCERNED

- **Bouygues Construction:** Olivier Bouygues, William Bouygues and Olivier Roussat (directors), Philippe Marien (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), Philippe Marien (standing representative of Bouygues on the Board of Directors of Colas);
- **TF1:** Martin Bouygues, Olivier Bouygues and Olivier Roussat (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of TF1);
- **Bouygues Telecom:** Olivier Roussat (Chairman of the Board of Directors), Charlotte Bouygues and Olivier Bouygues (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

In accordance with the authorisation of the Board of Directors of 14 November 2018.

4) Service agreements (open innovation)

The Combined Annual General Meeting of 25 April 2019 approved the renewal, for the 2019 financial year, of service agreements entered with Bouygues Construction, Colas, TF1 and Bouygues Telecom.

The purpose of these agreements is to define the terms and conditions whereby Bouygues, either directly or through the intermediary of its wholly-owned subsidiary Bouygues Développement, provides the aforementioned companies with consultancy services and services related to the management of their holdings in innovative companies.

FINANCIAL TERMS ASSOCIATED WITH THESE AGREEMENTS

The consultancy services provided to the business segments are an integral part of the shared services provided by Bouygues to the different business segments. As such, the consultancy services are invoiced directly through the shared service agreements set forth in point 1. above. The amount invoiced represents each business segment's share of the residual cost of the shared services.

In return for the management services, each subsidiary pays Bouygues, on a pro rata temporis basis, a flat monthly fee of €750 excluding VAT per shareholding in a managed innovative company.

In 2019, Bouygues invoiced the following amounts:

€	Amount excluding VAT
CIB Développement (Colas subsidiary)	19,500
Construction Venture (Bouygues Construction subsidiary)	44,250
Bouygues Telecom Initiatives (Bouygues Telecom subsidiary)	45,750

PERSONS CONCERNED

- **Bouygues Construction:** Olivier Bouygues, William Bouygues and Olivier Roussat (directors), Philippe Marien (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), Philippe Marien (standing representative of Bouygues on the Board of Directors of Colas);
- **TF1:** Martin Bouygues, Olivier Bouygues and Olivier Roussat (directors) Philippe Marien (standing representative of Bouygues on the Board of Directors of TF1);
- **Bouygues Telecom:** Olivier Roussat (Chairman of the Board of Directors), Charlotte Bouygues and Olivier Bouygues (directors), Philippe Marien (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

In accordance with the authorisation of the Board of Directors of 14 November 2018.

5) Amendment to the internal audit service agreement with Bouygues Telecom

The Combined Annual General Meeting of 25 April 2019 approved the conclusion of a fourth amendment to the 1 September 2014 internal audit service agreement between Bouygues and Bouygues Telecom, extending it to 31 December 2019, 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 2019.

PERSONS CONCERNED

- **Bouygues Telecom:** Olivier Roussat (Chairman of the Board of Directors), Charlotte Bouygues and Olivier Bouygues (directors) Philippe Marien (standing representative of Bouygues on the Board of Directors of Bouygues Telecom).

In accordance with the authorisation of the Board of Directors of 14 November 2018.

6) 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), Charlotte Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), William Bouygues (standing representative of SCDM Participations on the Board of Directors Bouygues).

In accordance with the authorisation of the Board of Directors of 14 November 2018.

7) 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 Bouygues, William Bouygues and Olivier Roussat (directors), Philippe Marien (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), Philippe Marien (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.

8) 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 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 2019.

PERSONS CONCERNED

- **Bouygues Construction:** Olivier Bouygues, William Bouygues and Olivier Roussat (directors), Philippe Marien (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", "Bouytel" and "Bouyngt". 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 2019.

PERSONS CONCERNED

- **Bouygues Telecom:** Olivier Roussat (Chairman of the Board of Directors), Charlotte Bouygues and Olivier Bouygues (directors), Philippe Marien (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.

9) 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 €105,423 excluding VAT in respect of this agreement in 2019.

PERSONS CONCERNED

- **Bouygues Construction:** Olivier Bouygues, William Bouygues and Olivier Roussat (directors), Philippe Marien (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.

10) 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 flights in question are within the corporate purpose of Bouygues.

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 2019. The overall price for the "Global" aircraft 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. The subsidiaries are charged by Airby on the same fee scale.

Airby invoiced Bouygues €689,250 excluding VAT in respect of this agreement in 2019.

PERSONS CONCERNED

- **SCDM:** Martin Bouygues (Chairman), Olivier Bouygues (CEO), Charlotte Bouygues (standing representative of SCDM on the Board of Directors of Bouygues), William 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 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 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 2019.

Paris-La Défense, 19 February 2020

The Statutory Auditors

MAZARS
Gilles Rainaut

ERNST & YOUNG Audit
Laurent Vitse

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 (fifteenth resolution)

In our capacity as auditors of Bouygues, and as required under Article L. 225-209 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 shareholders to grant it full powers, for a period of eighteen months as from the date of this meeting, to cancel, up to a limit of 10% of the share capital over any twenty-four month period, shares purchased pursuant to an authorisation given to the company to buy back its own shares within the scope of the Article mentioned above.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC. 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 the proposed issue of equity warrants free of charge during the period of a public offer for the company's shares (sixteenth 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 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 and 95,000,000 (ninety-five million).

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 proposed issue of equity warrants, 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, where applicable, if this authorisation is used by the Board of Directors.

Paris-La Défense, 13 March 2020

The Statutory Auditors

MAZARS
Gilles Rainaut

ERNST & YOUNG Audit
Laurent Vitse

GLOSSARY

4G consumption: data consumed on 4G cellular networks, excluding WiFi.

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.

Current operating profit after Leases: current operating profit after taking account of the interest expense on lease obligations.

EBITDA after Leases: current operating profit after Leases (i.e. current operating profit after taking account of the interest expense on lease obligations), before (i) net depreciation and amortization expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and 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. It is calculated after changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies. A calculation of free cash flow after WCR by business segment is presented in Note 17 "Segment information" to the consolidated financial statements at 31 December 2019, available at Bouygues' web site.

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 (Fiber to the Home): optical fiber 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 2019, available at Bouygues' web site.

Operating profit after Leases: operating profit after taking account of the interest expense on lease obligations.

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).

CONCORDANCE

This concordance reproduces the items listed in Annex I of 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 2017 and 2018

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 2017 and the auditors' reports relating thereto, presented respectively on pages 17 to 22 and 250 to 331 of the 2017 Registration Document filed with the Autorité des Marchés Financiers on 21 March 2018 under No. D. 18-0158;

- 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.

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. 451-2 of the Monetary and Financial Code and Article 222-3 of the AMF General Regulation:

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Group CSR challenges and Extra-financial reporting quantitative indicators

Group CSR challenges	
Human resources Section 3.2	<p>Ensuring health, safety and well-being in the workplace Section 3.2.2</p> <ul style="list-style-type: none"> • 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 <p>Attracting, recruiting and integrating employees while fighting all forms of discrimination through high-quality labour relations Section 3.2.3</p> <ul style="list-style-type: none"> • Headcount by region • 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 <p>Supporting employees throughout their careers by addressing changes in occupational roles and skill-sets early on Section 3.2.4</p> <ul style="list-style-type: none"> • Existence of a formal training plan • Number of employees trained • Number of training days

Group CSR challenges	
Environmental impacts	<p>Rolling out a comprehensive strategy for reducing greenhouse gas emissions and adapting products and services to climate change, in line with public policies Section 3.3.4</p> <ul style="list-style-type: none"> • Projects in the order intake where energy performance commitments are included in the contract (Bouygues Construction) • Surface area of Green Office® commercial property developments in operation during the reporting period (Bouygues Immobilier) • Number of passive/positive-energy homes being built or handed over in the full year (Bouygues Immobilier) • Number of smart grids to be rolled out • Energy used per tonne of asphalt mix produced (Colas) • Warm- and low-temperature asphalt mixes (Colas) • Total energy costs (Colas) • Total energy consumption (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 • Greenhouse gas emissions relative to production of a tonne of asphalt mix (Colas) • Greenhouse gas emissions avoided as a result of action taken by the Colas group
	<p>Making the circular economy a driver for transforming building and communications methods Section 3.3.3</p> <ul style="list-style-type: none"> • Recycled materials in relation to the volume of aggregates produced • Asphalt pavement recycled in order to reclaim bitumen • Waste oil recovery rate • Percentage of non-hazardous waste recycled • Percentage of spoil recycled • Handsets collected for recycling or re-use • Volume of recycled materials (Colas) • Volume of aggregates from recycled pavement
	<p>Helping customers and end-users save energy and make sustainable use of resources Section 3.3.2</p> <ul style="list-style-type: none"> • 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 m² 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)
	<p>Minimising the environmental impact of business activities; biodiversity and ecosystem protection Sections 3.3.2 and 3.3.5</p> <ul style="list-style-type: none"> • Sales covered by an ISO 14001-certified EMS^a • Share of worksites with the Top Site label (also covers: health & safety, quality, human resources and social) • Environmental certification of materials production sites (Colas) • Rate of environmental self-assessment using Colas check-lists • 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)
Social impacts Section 3.4	<p>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</p> <ul style="list-style-type: none"> • Materials production sites working to promote dialogue with local communities • Number of partnerships during the year supporting integration, education and healthcare (Bouygues Construction)
	<p>Boosting the local foothold of projects and creating sustainable value and sharing it with stakeholders Section 3.4.1</p> <ul style="list-style-type: none"> • Number of volunteers in the Médiateerre programme supported by Bouygues Immobilier in its areas of engagement • Number of hours devoted to occupational integration and the corresponding FTE equivalent (France) (Bouygues Construction) • Percentage of expenditure favouring local companies (Bouygues Construction)

a Environmental Management System.

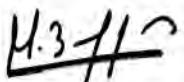
Group CSR challenges		
Human rights Section 3.2.1.3	Ensuring that human rights and international conventions are upheld in all decisions and relationships with business partners Section 3.2.1.3	<ul style="list-style-type: none"> • Number of suppliers and/or subcontractors that underwent a CSR assessment • Share of business segment expenditure targeted by CSR criteria or covered by CSR assessments • Specific qualitative indicators by business segment
Digital technology Section 3.4.4.3	Safeguarding business data and customer/user privacy Section 3.4.4.3	<ul style="list-style-type: none"> • Specific qualitative indicators by business segment, more specifically TF 1 and Bouygues Telecom
Ethics Section 3.4.4	Managing business relations transparently and responsibly Section 3.4.4	<ul style="list-style-type: none"> • Number of employees trained using the Fair Deal module (Bouygues Construction) • Number of branch managers and directors trained using the "Ethical and responsible leadership" module (Colas) • Number of managers trained using the "Business ethics and responsibility" module (Colas) • Number of eligible employees trained using the Fair Play module (Colas) • Number of employees trained in ethics using the "BI Learn" module (Bouygues Immobilier) • Number of employees trained in anti-corruption and similar practices (Bouygues Telecom) • Specific qualitative indicators by business segment

STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"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 264 and 363 to 391 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, 23 March 2020



Martin Bouygues
Chairman and CEO



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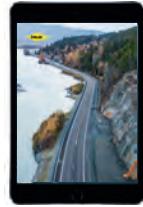
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^a Languages available: Chinese (Mandarin), English, French, German, Japanese, Korean (publications available from March).

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