

**2019 INTEGRATED
REPORT**

**MAKING
PROGRESS
BECOME
REALITY**



BOUYGUES

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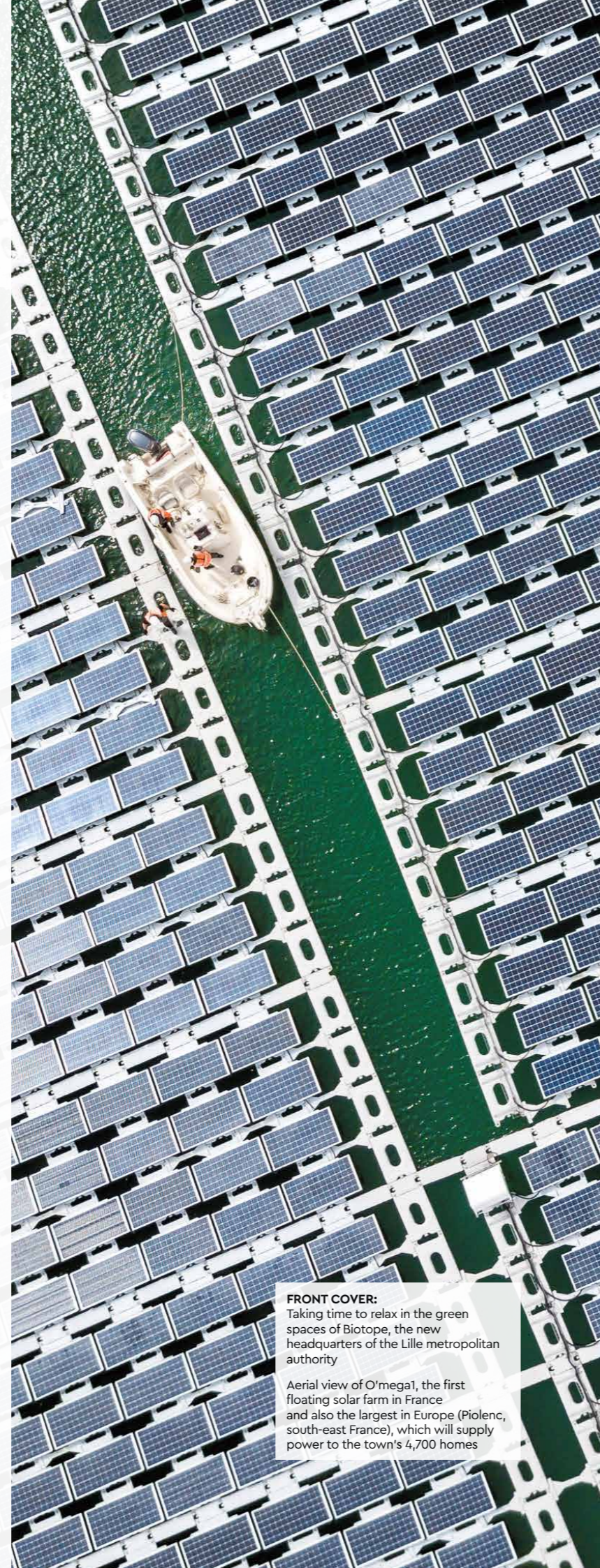
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dare
progress

Since helping our employees develop their careers is one of the Group's core pledges, this visual indicates the initiatives which allow their talents to flourish.



FRONT COVER:
Taking time to relax in the green spaces of Biotopé, the new headquarters of the Lille metropolitan authority

Aerial view of O'mega1, the first floating solar farm in France and also the largest in Europe (Piolenc, south-east France), which will supply power to the town's 4,700 homes

Foreword by the Chairman and CEO

In the last few weeks, the world has been hit hard by the Covid-19 pandemic. I share in the grief and suffering of all those affected by this disease. My thoughts go out especially to our employees, customers, suppliers, partners and other stakeholders harmed by this scourge.

In the midst of this crisis, the Group is working hard to ensure business continuity wherever possible and is implementing action plans to mitigate the impact on its sales and profitability. In this context, Bouygues intends to act above all as a responsible corporate citizen.

We have prioritised the health and safety of our employees, service providers, suppliers and customers. It is also our intention to maintain our employees' level of remuneration and roll out teleworking on a mass scale. In France, we have taken the necessary measures to ensure that essential services continue to be provided to the population, such as good quality telecoms networks, suitable media content and facility management at critical sites such as hospitals. We have also decided to withdraw the resolution setting a dividend, to have been proposed to the Annual General Meeting, pending a decision by the Board of Directors in August. Furthermore, we have taken a number of initiatives in support of healthcare services in and outside France and we are adapting payment terms for the Group's microbusiness and SME partners.

Bouygues is fully prepared to deal with this unprecedented crisis. In the long term, 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, the stability of our ownership structure and the strength of our balance sheet are all major strengths. Our strategy draws on robust fundamentals and is not undermined by this pandemic.

The Group's Climate strategy is based on a wide range of low-carbon solutions and a reduction in the greenhouse gas emissions generated by our activities. A target compatible with the Paris Agreement (to keep the global increase in temperatures to below 1.5°C), supported by an action plan, will be defined by the end of the year, with a view to cutting the Group's greenhouse gas emissions by 2030.

We regard our human resources policy as a priority, with its first pledge being to promote the career development of all our employees. The encouraging results achieved this year in the area of health & safety are tangible proof of this. The Group is ranked in four international Socially Responsible Investment indices known for their very selective admissions process.

I know I can count on the commitment of each person in the Group and I would like to thank our customers and shareholders for their confidence.

23 April 2020

Martin Bouygues



“Our strategy draws on robust fundamentals. Bouygues is fully prepared to deal with this unprecedented crisis.”



1 BOUYGUES GROUP OVERVIEW

Bouygues is a diversified services group. Operating in strong growth potential markets and present in over 90 countries, the Group draws on the expertise of its people and on the diversity of its business activities to provide innovative solutions that meet essential needs.

The ongoing Monaco offshore extension project was designed with the environment in mind, featuring ecological adjustments and artificial reefs designed to safeguard biodiversity in the area.

BOUYGUES AT A GLANCE

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. Each and every solution offered by the Group is designed to enhance people's lives.

Bouygues' mission, spearheaded by its dedicated workforce, is **to make life better every day**. Motivated by challenge and genuine passion, our people apply their talents and expertise through three sectors of activity.

One mission, three sectors of activity

SIMPLIFIED ORGANISATION CHART

at 31 December 2019



ALSTOM
(since 2006)
14.7%

As a promoter of sustainable and smart mobility, Alstom is a world leader in integrated transport systems with a presence in over 60 countries.

CONSTRUCTION BUSINESSES

MEDIA

TELECOMS

(1952) 100%
 (1956) 100%
 (since 1986) 96.6%

(since 1987) 43.7%

(1994) 90.5%



As a developer, builder and operator, Bouygues is active in building and civil works, energy and services, property development and transport infrastructure. Its operations span over 90 countries, and it is the sixth-largest construction group^a in the world.



As France's leading media group, TF1 provides an extensive content offer and range of associated services. The group is also an established player in the TV production and digital sectors.

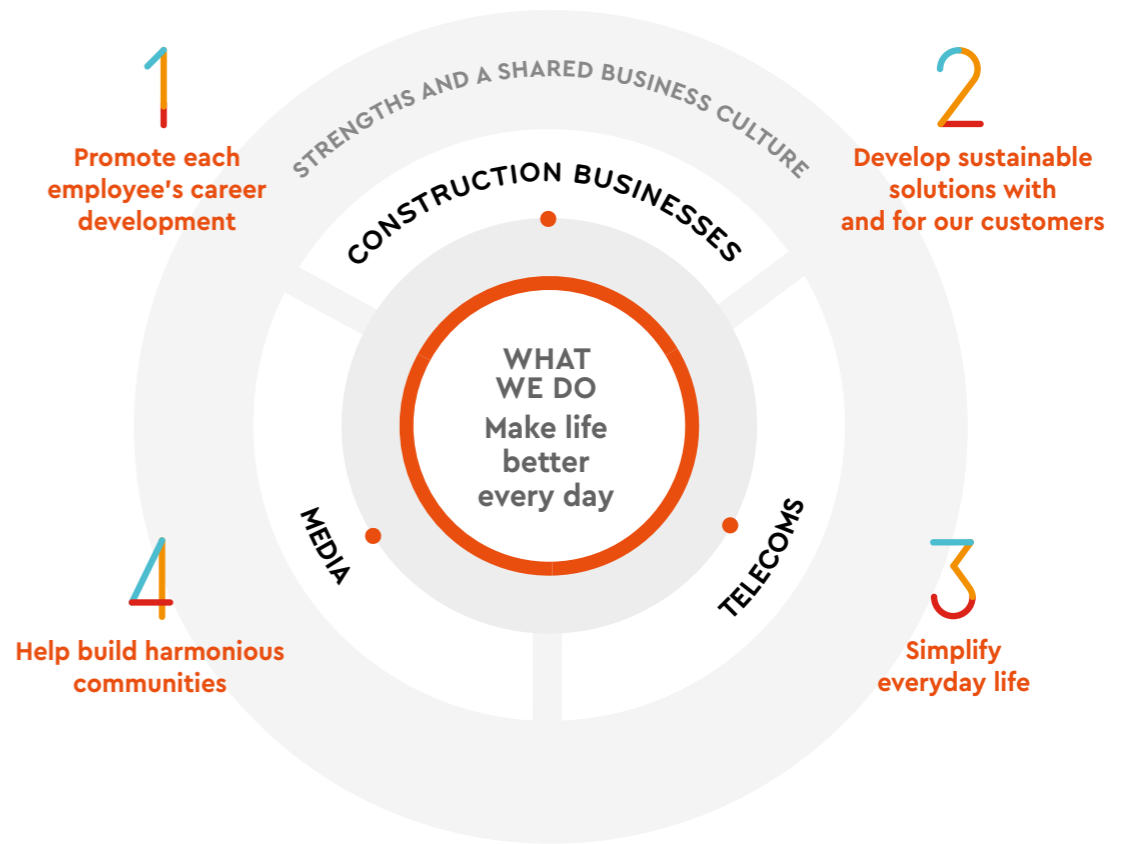


Bouygues Telecom is a major player in the French telecommunications market providing BtoC and BtoB connectivity solutions. It provides networks, products and services adapted to the needs of its 22 million customers.

[FIND OUT MORE](#)
> The Group's 2019 Universal Registration Document

(a) ENR Top 250 Global Contractors, August 2019.

The Group's business model and four pledges



A LONG-TERM VISION TO CREATE SUSTAINABLE VALUE AND SHARE IT WITH ITS STAKEHOLDERS



Operating in over 90 countries, the Bouygues group stands out due to the great diversity of its business activities and expertise. In this photo, the Ocean Cay worksite in the Bahamas.

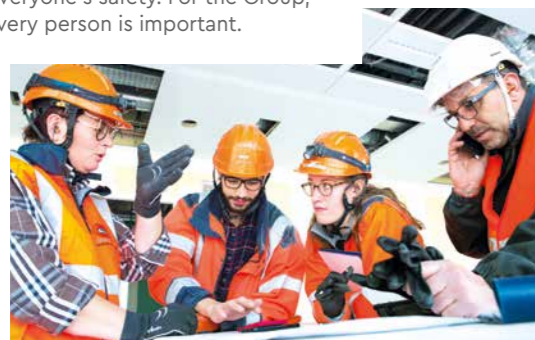


FUNDAMENTALS OF OUR CULTURE

At Bouygues, people are the Group's most important resource. This means that their mindset, just as much as their skills, is key to our success and progress. The fundamentals of the Group's culture provide the framework through which each business segment expresses its own values and specific culture. They are the cornerstone – encouraging commitment and a personal touch from all our employees.

Respect

Respect is a key value for the Group. Respect fosters dedication and cohesion among Bouygues' employees – an essential component of the Group's success. It shines through in our staff's exemplary conduct, their commitment to keeping their word and to ethical behaviour, and in the care they take to ensure everyone's safety. For the Group, each and every person is important.



Trust

Trust is essential to the running of Bouygues, since its business segments enjoy a large amount of freedom in conducting business and managing operations. Closely related to respect, trust flourishes where there is attentiveness, sincerity and transparency at all levels of the company. It promotes job satisfaction and efficiency among employees, enabling them to work more independently and empowering them, resulting in better recognition and more fulfilling career paths.



Imparting expertise

Bouygues' success depends on the skills and expertise of its people, which are developed over time. Learning, developing and imparting knowledge are what drive the relations between people at the Bouygues group. They also allow our employees to progress and develop their talents. On worksites, imparting experience also enables teams to identify the best response to potential risks. This culture of imparting expertise, which strengthens intergenerational bonds, is a key source of pride.



Creativity

Creativity is what drives the Group towards ever greater innovation. It leads to innovative solutions that not only meet our customers' expectations but also reinforce our competitiveness in increasingly complex environments. In addition, creativity enriches our employees' work and galvanises motivation, commitment and sense of initiative.

THE GROUP'S STRENGTHS

Backed by a shared culture, our business segments, on top of their diverse activities, embody four strengths that shape the identity of our unique Group.



130,500 dedicated employees

Every day, the women and men of Bouygues bring an unparalleled sense of dedication, passion and duty to their responsibilities. Drawing on a strong Group culture, they openly embrace challenge and adhere to high standards of quality for the benefit of customers, both individually and as part of a team.



High value-added products and services

Each business segment aims to stand out from the competition by offering high value-added solutions and user experiences. This has made Bouygues a benchmark in complex infrastructure and sustainable construction projects. But more than that, it strives to be a "creator of better living" in housing, urban environments and mobility, or by simplifying the digital experience for its telecoms customers. Within its media businesses, the Group helps boost the effectiveness of advertisers' campaigns by providing tailored target audiences.



Spans the entire value chain

In order to maintain direct contact with their customers, the Group's business segments employ their standards of operational excellence and efficiency to span the entire value chain. As a result, they have become highly skilled in incorporating the best internal and external expertise into the Group, engaging with partners of all sizes, ranging from start-ups and SMEs to major groups.



A selective long-term presence worldwide

In addition to its strong presence in France, Bouygues has pursued long-term expansion into international markets. It has done so in a selective manner, for example establishing itself in Australia, Canada, the US, the UK and in Switzerland by taking advantage of only those growth opportunities that meet its risk-management standards. Today the Group operates in over 90 countries. International business accounts for half of its construction businesses' sales.

2019 GROUP KEY FIGURES

People are at the heart of the Bouygues group

130,500

employees worldwide

No.1

The CAC 40 company with the highest level of employee share ownership (19.3% of the share capital)

84%

Turnout in workplace elections in France

70%

of the subsidiaries outside France have an official employee representative body

19.2%

Women managers in the Group (+0.7 points)^a

(a) Versus 2018.

Robust financial performance

€37,929m

Sales

€1,676m

Current operating profit

€1,184m

Net profit attributable to the Group

€2,222m

Net debt

€815m

Free cash flow after WCR^b

(excluding Alstom dividends^c)

(b) 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.

(c) €341 million in 2019.

A strong environmental commitment

A-

The Group's score in the Carbon Disclosure Project's Climate Change A list in 2019

3rd

The Group's ranking in France by the Low-Carbon Building Association (BBCA)

Construction businesses continue to grow internationally

92 countries

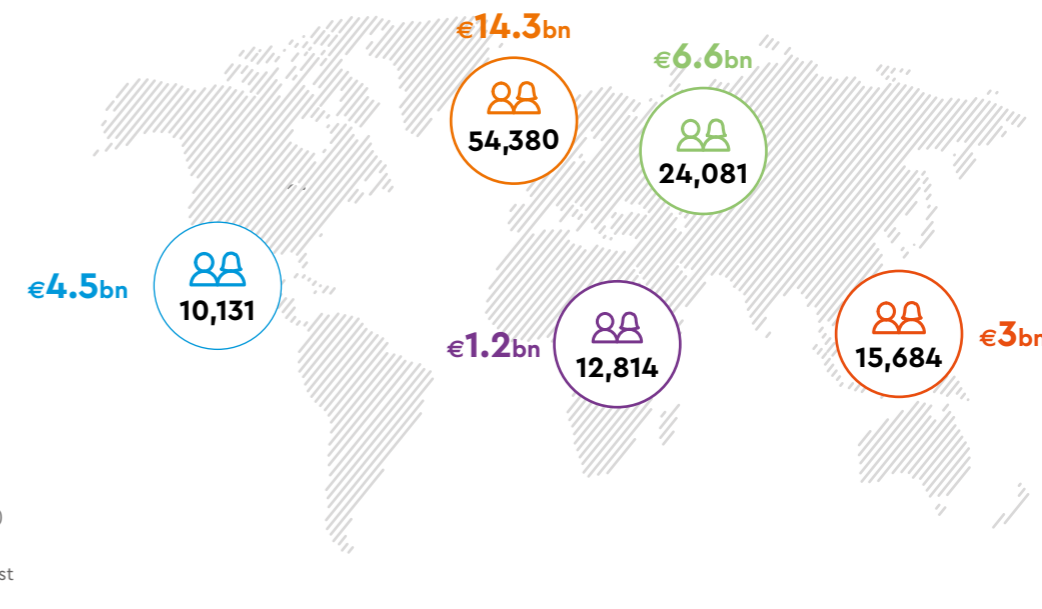
International headcount of the construction businesses

54%

52%

International sales of the construction businesses

SALES AND HEADCOUNT OF THE CONSTRUCTION BUSINESSES BY REGION



A socially-responsible Group

€64m

spent on patronage and sponsorship

889

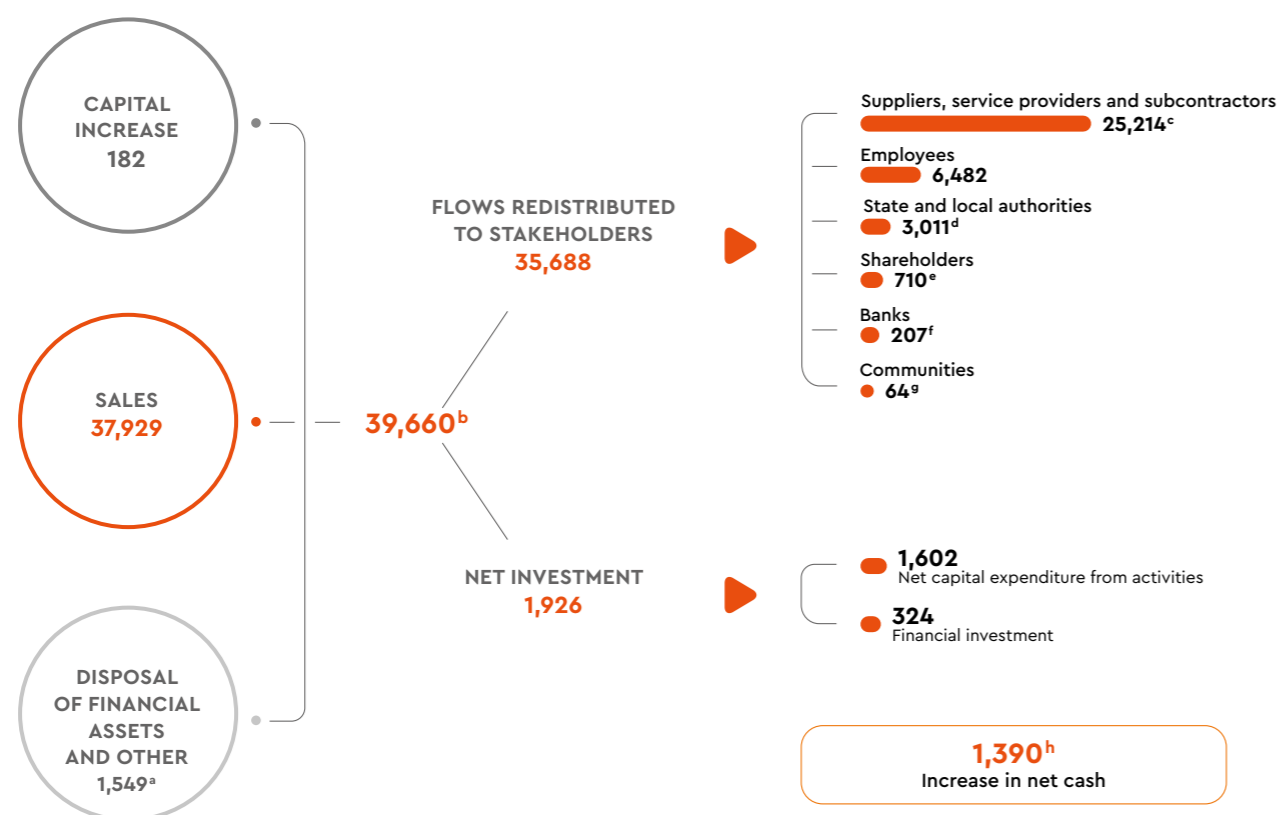
students awarded a grant by the Francis Bouygues Foundation (of which 418 graduates^a)

(a) Since the launch of the Francis Bouygues Foundation in 2005.

VALUE CREATION AND FINANCIAL RESULTS IN 2019

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.

Financial flows generated by the Group in 2019



(a) Including Alstom dividends.
 (b) In addition to the financial flows redistributed to stakeholders, net investment and the increase in net cash, this figure also includes the difference between income taxes owed and income taxes paid, the change in the working capital requirement and other items totalling €656 million.
 (c) Purchases and other external expenditure.
 (d) Income tax, social security contributions and other taxes.
 (e) 2018 dividends paid in 2019, of which €77 million paid to employees.
 (f) Cost of debt and other charges.
 (g) Donations, patronage and sponsorship.
 (h) After changes in the working capital requirement (WCR) and currency effects.

Financial and extra-financial ratings

FINANCIAL RATINGS

	31 December 2019	
	Long-term	Outlook
STANDARD & POOR'S	A-	Stable
MOODY'S	A3	Stable

Bouygues is ranked on the leading sustainable development indices and has an A- score in the Carbon Disclosure Project's Climate Change A List.



2019 full-year results

The Bouygues group achieved its full-year targets in 2019 with robust results in its three sectors of activity and a high level of cash generation.

STRONG COMMERCIAL MOMENTUM

The backlog in the construction businesses remained stable at a very high level of €33 billion at end-2019. International business represented 62% of the backlog at Bouygues Construction and Colas. TF1's audience share of key targets stabilised at a high level in 2019, with 32.6% of women under 50 who are purchasing decision-makers. Bouygues Telecom maintained strong commercial momentum, adding 653,000 new mobile plan customers (excluding MtoM*) during the year. The number of FTTH^b customers reached 1 million, out of 3.9 million fixed line customers in total.

ROBUST RESULTS WITH FULL-YEAR TARGETS ACHIEVED

The Group's sales were up 7% year-on-year to €37.9 billion, driven by all businesses. As expected, Group profitability improved: current operating profit increased €112 million to €1,676 million versus 2018. Current operating margin adjusted for Axione^c rose by 0.3 of a percentage point to 4.4%. Net profit attributable to the Group was down €124 million year-on-year to €1,184 million due to a decline in non-current income^d, mainly at Bouygues Telecom. Group free cash flow rose €553 million to €1,379 million. It notably benefited from the increase in dividends

from Alstom^e and from the €109-million increase in free cash flow^f generation at Bouygues Telecom, which achieved its target of €300 million in 2019. Group free cash flow after WCR^g of €815 million excluding the Alstom dividends increased two-fold versus 2018. Finally, the Group strengthened its financial structure. Net debt came to €2.2 billion at end-2019, versus €3.6 billion at end-2018, benefiting from the positive €1.4-billion impact of Alstom (dividends and sale of 13% of share capital).

Outlook for 2020

On 1 April 2020, the Bouygues group published a press release to inform the financial markets that the unprecedented health crisis caused by the Covid-19 pandemic would have a significant impact on its 2020 results. As a result, it appears that the 2020 guidance for the Group, the construction businesses and TF1 cannot be achieved. The guidance was as follows:

- for the Group, free cash flow generation after WCR of €1 billion in 2020, with the contribution from all three sectors of activity;
- for the construction businesses, an expected improvement in the current operating margin in 2020 versus 2019;
- for TF1, a double-digit current operating margin and cost of programs at €985 million in 2020.

However, it is too early to give any new guidance at this point. Due to Covid-19's limited impact on its activity to date, Bouygues Telecom has suspended its 2020 guidance (growth in sales from services of around 5%, free cash flow of over €300 million, with increasing investment expected to be between €1.1 and €1.2 billion excluding frequencies) until there is far greater visibility on the duration of the health crisis in France. Finally, the Group confirmed its 2030 greenhouse gas emissions reduction target. In 2020, it will define a target compatible with the Paris Agreement^h and the Group's five business segments will prepare an action plan.

(a) Machine-to-Machine.
 (b) Fibre-To-The-Home.
 (c) €106 million from a capital gain related to the partial divestment of shares and remeasurement of the residual interest in Axione in 2018.
 (d) €20 million in 2019 versus €265 million in 2018.
 (e) €341 million in 2019 versus €22 million in 2018.

(f) 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 WCR related to operating activities and excluding 5G frequencies.
 (g) 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 WCR related to operating activities and excluding 5G frequencies.
 (h) To keep the global increase in temperatures to below 1.5°C.



2 OUR ECOSYSTEM

The Bouygues group has pinpointed four major underlying trends that have a significant impact on its activities. By focusing on these trends and maintaining regular contact with its stakeholders, it is in a better position to seize opportunities in a rapidly changing world.

Bikes are available to the residents of Le Jardin de Flore, in Saint-Aunès (southern France)

MAJOR UNDERLYING TRENDS PROVIDING OPPORTUNITIES

Bouygues' business is shaped by four major underlying trends affecting the world today: population growth and urbanisation, climate change, digital and technological transformation, and changing user behaviour. The Group responds to these challenges as a responsible corporate citizen, but it also considers them to be major business opportunities.



Population growth and urbanisation

In 2050, the world's population will reach 9.8 billion individuals, 66% of whom will be living in urban environments and 21% aged over 60^a. The success of mass urbanisation will depend on the ability to:

- increase urban density whilst creating the green spaces vital for people's well-being at the same time;
- facilitate mobility by promoting viable alternatives to polluting vehicles;
- upgrade and share infrastructure on a large scale to reduce energy wastage and boost usage, and
- ensure that urban environments produce some of the resources that they need (energy, heating, food, etc).

(a) Source: UN



Climate change

To keep global warming within 1.5°C out to 2100, as stipulated by the Paris Agreement, greenhouse gas emissions must be cut by 76% by 2030^b, equating to a 7.6% yearly reduction^b. This will require:

- A change in energy efficiency regulations and policies in all areas of activity.
- The replacement of fossil fuels with renewable sources of energy.

Measures to adapt to the impacts of climate change are already needed, for example:

- A sharper focus on the effects of climate change when designing infrastructure and building-related projects.
- Finding ways of harnessing natural resources – water, fossil fuels and raw materials – that are compatible with protecting ecosystems.

(b) Relative to 2015.

WHAT IS YOUR PERSPECTIVE ON THE MANY CHALLENGES FACING COMPANIES TODAY?

Humanity is facing an unprecedented situation in which several peaks are converging: population, debt, greenhouse gas emissions and the erosion of biodiversity. To meet these challenges, it will not be enough to merely continually improve the products and services currently on offer. We will have to think creatively and therefore change our business models.

HOW IS IT POSSIBLE TO RECONCILE MAKING PROFITS AND CHANGING BUSINESS MODELS?

To stand the test of time, companies need to be profitable, but that is no longer enough on its own. What attracts people to work for us and then motivates them is the high quality socially and environmentally responsible projects and services we offer our customers. That's what being a contributive company means. And if the tangible and intangible value we create continues to be seen positively by our employees and stakeholders, we will continue to generate profits for a long time to come.

WHAT ROLE CAN BOUYGUES PLAY IN THIS CONTEXT?

First of all, as a provider of solutions. Bouygues' business activities meet people's vital needs, such as housing, transportation, communication and entertainment, thus making everyday life easier and more enjoyable. For example, they are working together with customers and end-users to develop new commercial solutions that meet their requirements. Often pioneering, as illustrated by the construction of the first positive-energy office buildings, the Group has for the past 15 years been developing a wide range of low-carbon and climate-friendly solutions alongside attractive digital products and services.

Concurrently, some of our business activities are energy and resource intensive. The Group therefore has a responsibility to lessen its environmental impact wherever it operates.



Olivier ROUSSAT
Deputy CEO,
Bouygues group

“
To stand the test of time, companies need to be profitable, but that is no longer enough on its own.”



Digital and technological transformation

Thanks to the development of digital infrastructure, over 60% of the world's population will be on-line by 2025 and there will be over 25 billion connected objects (up from 9.1 billion in 2018)^c. These new technologies – ranging from connected objects and artificial intelligence to augmented reality – are revolutionising behaviour at work and home while also changing the way companies do business.

- Easy and immediate access to information, products and services.
- Huge amounts of data are being generated, harvested and processed.
- Newcomers capable of shaking up long-established value chains are ramping up.

(c) GSMA Intelligence.



Changing user behaviour

In line with the advent of digital technologies and current societal challenges, consumer expectations and habits are also changing.

- Products and services need to be more adaptable and customised.
- The concept of use is becoming increasingly important, alongside ownership, resulting in the increased sharing of goods and services.
- People have greater expectations as regards social well-being and inclusion.

In addition to these macrotrends, rising public debt around the world is leading governments and local authorities to find new funding solutions for development projects, such as infrastructure.

LISTENING TO OUR STAKEHOLDERS

As part of its corporate social responsibility policy and to better ensure the future viability of its business model, the Bouygues group maintains constant dialogue with its stakeholders.

Dialogue takes place at Group and business-segment level as well as locally, serving as an important source of input when identifying the priority CSR challenges, while also fostering the creativity of Bouygues' teams.

The Bouygues group's stakeholders



Employees and trade unions

How we dialogue: employee consultation bodies in operations worldwide, an extranet site dedicated to career development at Bouygues, in-house social media, annual appraisals, employee perception surveys and more besides



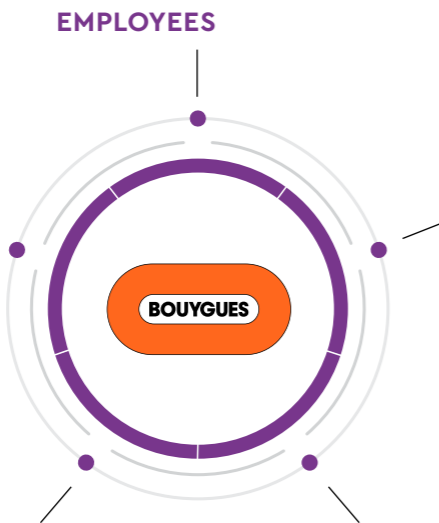
Industrial partners, large groups, SMEs and start-ups

How we dialogue: contractual relations, supplier and subcontractor CSR-performance assessments, and co-innovation and co-development partnerships with suppliers and subcontractors



Infrastructure and service users, public and private-sector customers, retail customers

How we dialogue: customer relations team, satisfaction surveys, customer committees, collaborative platforms, external social media, blogs and trade fairs



OUR CUSTOMERS AND USERS

SUPPLIERS AND SUBCONTRACTORS

THE FINANCIAL COMMUNITY



Shareholders and investors, banks, analysts and credit rating agencies

How we dialogue: tailored presentations, meetings, investor conferences and roadshows, AGMs, regulated literature, business reports and answering questions from financial and extra-financial rating agencies

CIVIL SOCIETY



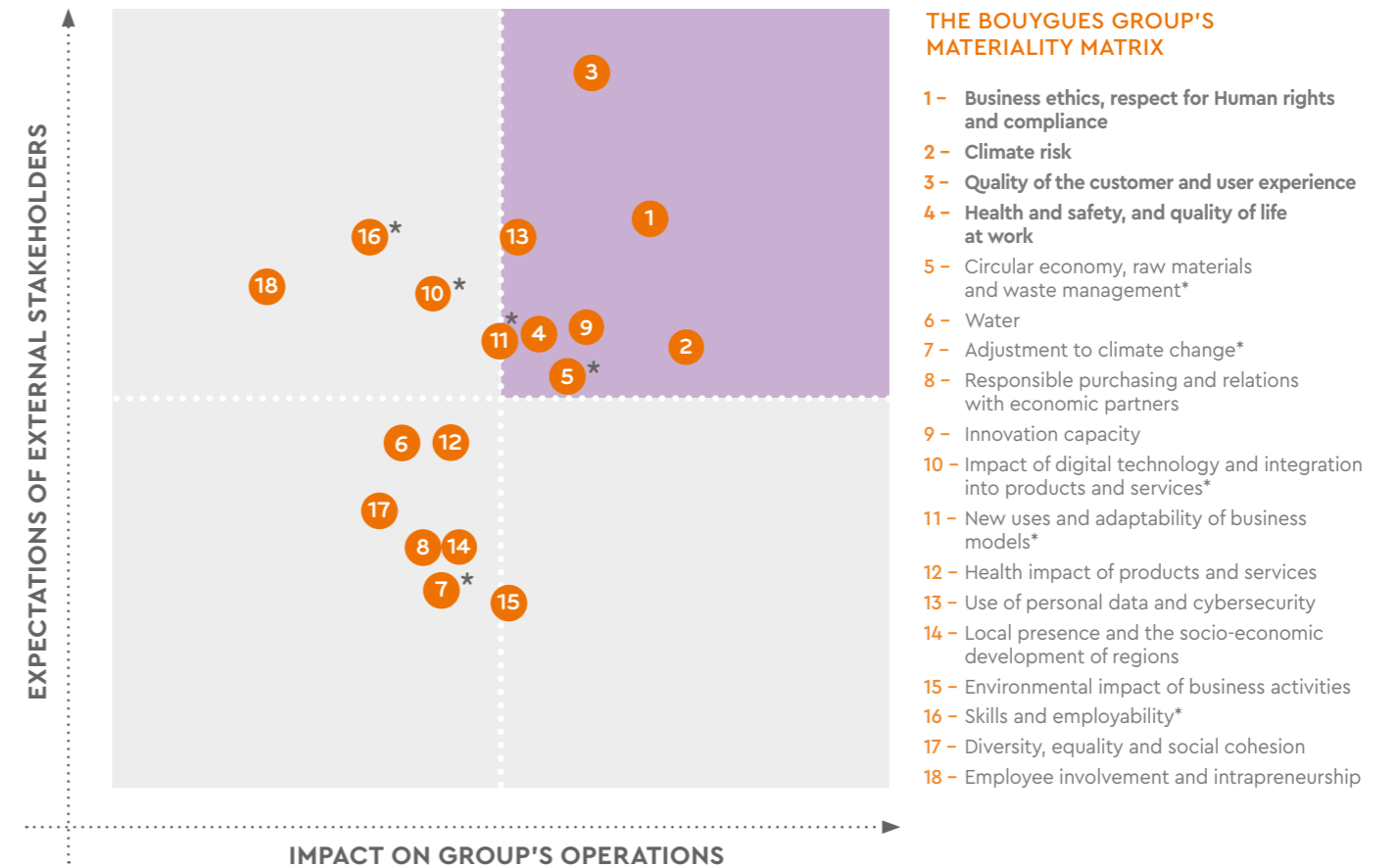
Citizens, local residents, charities and NGOs, academia and science, public authorities and the media

How we dialogue: charitable foundations, conferences, and partnerships with NGOs, community and skills patronage, active engagement in research and education, participation in think tanks and non-profit organisations

Our four main CSR challenges

Updated in 2019, the Bouygues group's materiality matrix prioritises its main CSR challenges based on their importance for external and internal stakeholders and their impact on its business operations.

Those marked with an asterisk (*) are priorities whose impact is set to increase in the coming years.



Tangible responses are provided to meet the expectations expressed by the Group's stakeholders, most notably:

- **Business ethics:** Bouygues undertakes to comply with the strictest standards when doing business (see p. 56-57).
- **Climate risk:** the Group has identified the impacts of climate change on its business operations and has responded with a comprehensive, coherent strategy (see p. 22-25).
- **Customer and user experience:** Bouygues offers customers and users a simplified and enjoyable experience (see p. 42-45).
- **Health & safety and quality of life at work:** health & safety is among the Group's highest priorities. Another is keeping up with employees' changing needs (see p. 34-37).

Bouygues' contribution to sustainable development goals



It is Bouygues' policy to help attain the UN Sustainable Development Goals (SDG) with a focus on the following four, which are tightly connected with its core businesses.



FIND OUT MORE
 > Bouygues.com
 > The 2019 Universal Registration Document, Chapter 3



Scan this QR code (app and internet connection required)



3 THE STRATEGY OF THE GROUP AND OF ITS BUSINESS SEGMENTS

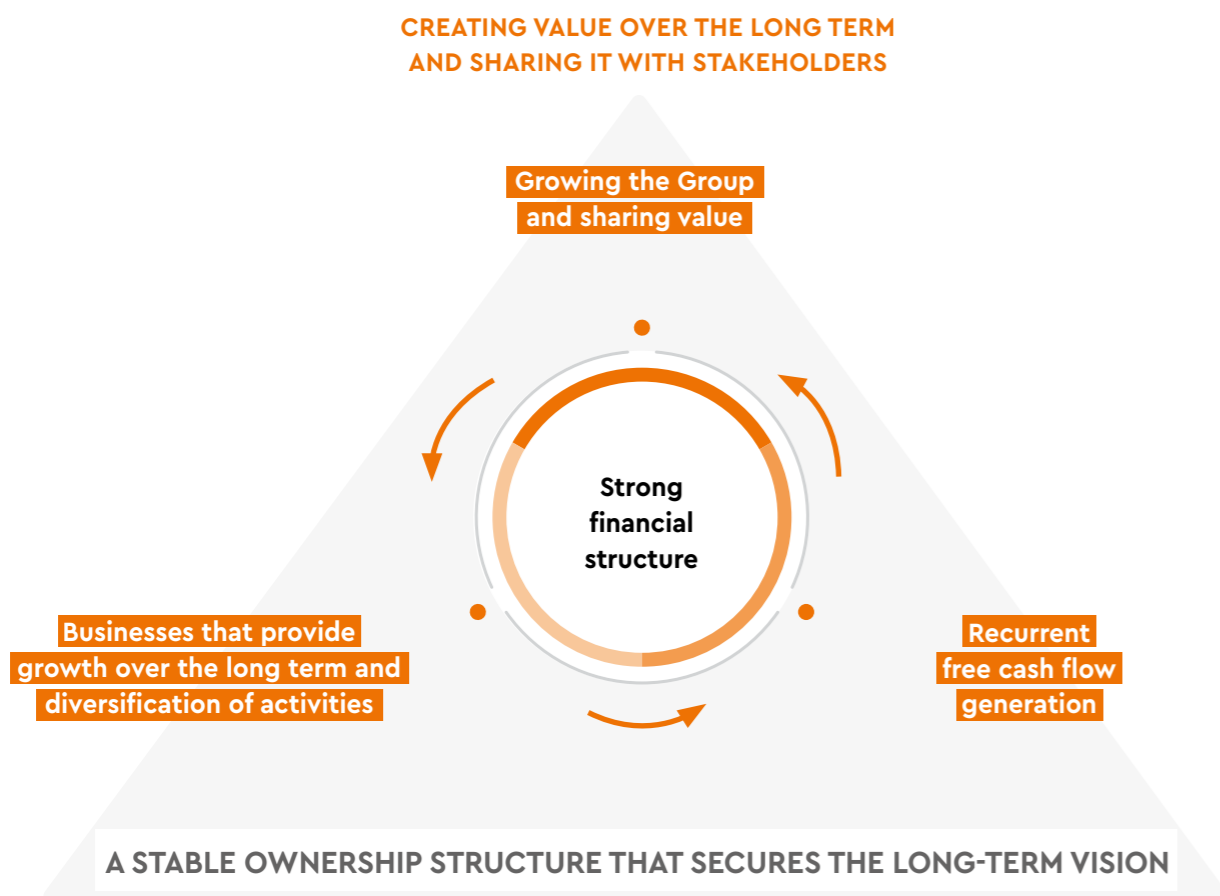
The Group and its business segments roll out long-term strategies aimed at seizing the growth opportunities related to the four major underlying trends that impact their operations.

In Alaska, the Haines Highway was upgraded to current safety standards whilst protecting the environment, including fish habitats.

GROUP STRATEGY

The Bouygues group aims to create value over the long term and share it with its stakeholders. To do this, the Group draws on its stable ownership structure and has defined a strategic framework through which its business segments roll out their operational strategies.

The virtuous circle of the Group's strategy



The Group has made several distinctive and specific choices in order to create and share value over the long term. Its business segments are able to provide growth since they all satisfy constantly evolving and essential needs such as housing, transportation, communication, information and entertainment. Furthermore, their diversity helps to cushion the impact of the less positive business cycles that some may experience from time to time.

By combining these two 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. As a result, Bouygues' gearing, corresponding to net debt over shareholders' equity, stood at 19% at end-2019 (vs. 33% at end-2018). This strategy can be rolled out over the long term thanks to the stability of Bouygues' ownership structure.

Two core shareholders

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

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

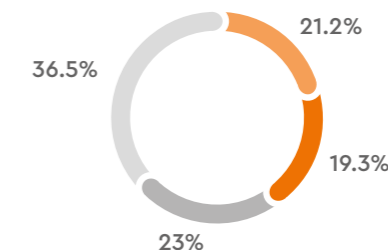
At 31 December 2019, 54,400 employees owned shares in the Group, making Bouygues the CAC 40 company with the highest level of employee share ownership. For half a century, the Group has been offering innovative, long-term mechanisms for employee share ownership, as recognised by the "Grand Prix FAS 2019"^(a) award on 11 December 2019.

OWNERSHIP STRUCTURE

31 December 2019

Main shareholders

379,828,120 shares

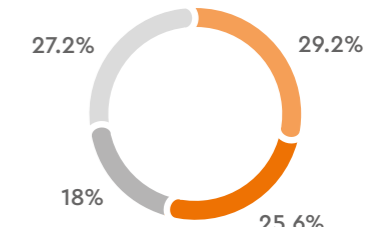


- SCDM^(a)
- Employees
- Other French shareholders
- Foreign shareholders

(a) French federation of employee and former employee shareholders associations.

Voting rights

509,048,266 voting rights

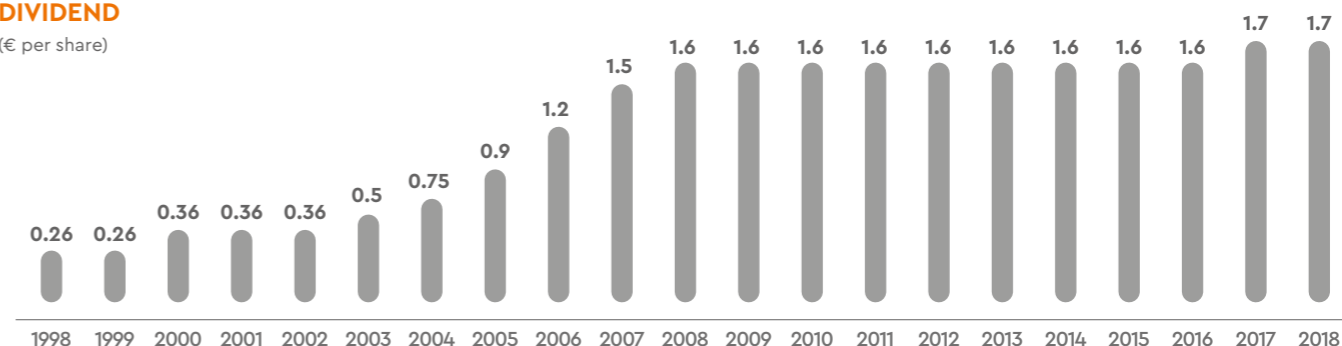


(a) SCDM is a company controlled by Martin and Olivier Bouygues.

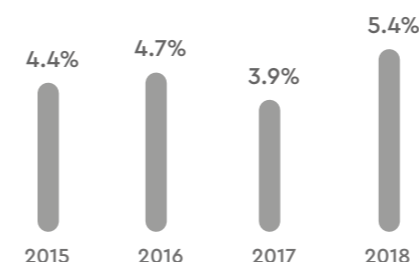
Dividend policy forms part of a long-term strategy

DIVIDEND

(€ per share)



DIVIDEND YIELD^(a)



(a) Dividend per share relative to the closing price of the previous year.

In the midst of the major health crisis caused by the Covid-19 pandemic and given the resulting uncertainty, Bouygues naturally intends to act responsibly and show its solidarity with the major efforts asked of the Group's stakeholders, particularly its employees. As a result, the Board of Directors decided to withdraw

its proposal to pay out a dividend at the Combined Annual General Meeting of 23 April 2020. The Board of Directors will meet in August in order to reassess the situation and review the opportunity of proposing the pay-out of a dividend in respect of the 2019 financial year.

CUTTING THE CARBON FOOTPRINT OF OUR ACTIVITIES

The Bouygues group has established two priorities as it seeks to comply with the Paris Agreement and its target of limiting global warming to 1.5°C by 2100: **offer customers a range of low-carbon solutions, and reduce the carbon footprints of its own operations.**

The business segments have for several years been developing a wide range of low-carbon solutions which they continue to expand through innovation.

In 2020, the Group called on each business segment to define a climate strategy in line with the 1.5°C target and that is coherent with their respective business challenges. This will include setting targets to reduce greenhouse gas emissions out to 2030. A system will also be set up to monitor progress on the climate strategy.

Reducing the carbon footprint

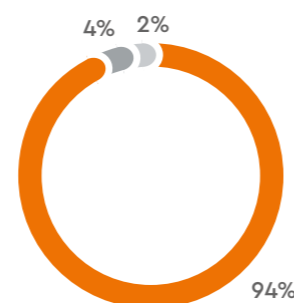
The Group's carbon intensity, which is defined as sales relative to greenhouse gas (GHG) emissions, declined by 0.3 of a percentage point in 2019 relative to the previous year.

For Scopes 1, 2 and 3a, Bouygues' carbon footprint was 17.4 million tonnes of CO₂ equivalent in 2019. Most emissions are attributable to purchases by the Group, namely the materials and other components used for the structures it builds. These account for two-thirds of total emissions. Emissions linked to the energy consumption of worksites and other installations account for 15%. The construction businesses account for a decisive part of this result.

In 2019, Bouygues Construction extended its carbon audit to include Scope 3b, which provides a broader view of its carbon impact downstream. Based on this revised scope, the Group's carbon footprint totalled 24.1 million tonnes of CO₂ equivalent.

Greenhouse gas emissions by sector of activity (Scopes 1, 2 and 3a^a)

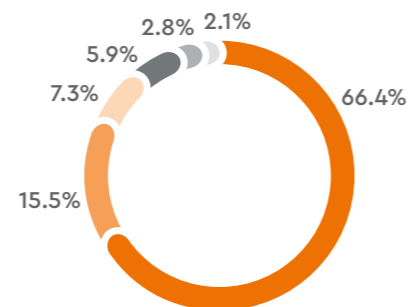
- Construction
- Telecoms
- Media



(a) Scope 1 (direct emissions), scope 2 (indirect emissions related to energy, particularly to the production of electricity and heat) and scope 3 (other indirect emissions)

GHG emissions by source

- Materials and equipment
- Energy^b
- Transport of goods
- Investments and fixed assets
- Waste
- Business travel



(b) Energy consumption (on-site combustion); consumption of electricity, steam, heat or refrigeration and emissions related to the energy production process.

Strategies

Each business segment is working hard to reduce the Group's carbon footprint. One way is to develop new building methods; another is to make use of the circular economy.

DECARBONISATION STRATEGIES	EXAMPLES OF CURRENT INITIATIVES
<ul style="list-style-type: none"> Develop sustainable construction methods and use lower-carbon materials instead 	<ul style="list-style-type: none"> Experiments involving industrial solutions for modular timber construction, material reuse and recycling platforms, use of biosourced materials, use of low-carbon concrete and bioclimatic design of structures etc.
<ul style="list-style-type: none"> Train employees and enhance their skills 	<ul style="list-style-type: none"> A new timber centre of excellence at Bouygues Construction and a 'mobility of the future' testing centre opened by Colas
<ul style="list-style-type: none"> Help suppliers and subcontractors progress in their climate strategies and integrate low-carbon solutions into our projects 	<ul style="list-style-type: none"> Drawing up of a new catalogue of low-carbon solutions, forging operations-based and R&D partnerships with specific reference to climate and energy issues
<ul style="list-style-type: none"> Inform customers and stakeholders about new low-carbon solutions and co-design them together 	<ul style="list-style-type: none"> The use of participatory initiatives to help co-design sustainable urban projects



Olivier Bouygues
Deputy CEO,
Bouygues group

“ We need to continue designing new solutions for lowering our GHG emissions and those of our customers.”

WHEN DID BOUYGUES START WORKING ON ITS CLIMATE STRATEGY?

For over 13 years, the Group has been striving to make climate issues an integral part of its strategy. We started by raising awareness among managers and pinpointing our main sources of GHG emissions to understand how we could reduce them. Soon afterwards we worked alongside our business partners to develop low-carbon solutions that marked us out from the competition. We were also instrumental in setting up the Specialised Master's degree course in sustainable housing and construction with ENSAM^a and ESTP^b to speed up knowledge acquisition in low-carbon technologies.

HOW DO YOU MARKET THESE LOW-CARBON SOLUTIONS TO CUSTOMERS WHEN THEY ARE OFTEN MORE EXPENSIVE THAN CONVENTIONAL ONES?

Selling low-carbon solutions means explaining beforehand the advantages of factoring in the full carbon cost over a project's entire lifecycle. Insulating buildings better, incorporating renewable power generation, installing energy-management systems within buildings: all these choices result in higher design and production costs which are easily offset afterwards by lower running expenses and higher property values.

CAN YOU GIVE US SOME EXAMPLES?

In 2011, Bouygues Immobilier handed over the first positive-energy building in Meudon. A concept known as Green Office, this building annually produces more renewable energy than it uses, testifying to the fact that we know how to integrate sustainable construction methods. And because we wanted to lead the way ourselves, in 2009 we started the renovation of the Bouygues Construction headquarters, Challenger, which became the first positive-energy building renovation in France. Since then, we have carried out hundreds of projects which contribute to the energy transition, both in

infrastructure and for new builds and property renovations. We recently launched several solutions, including our own start-ups, in the fields of integrated electric mobility, right from the building design stage, and of embedded digital technology for urban environments.

WHAT ABOUT COLAS?

Colas is one of the world leaders in building-material recycling. It is also helping local authorities introduce mobility solutions. One tangible example of this is Flowell, its dynamic signalling solution for easing road traffic. Another that springs to mind is ANAIS^c, an innovative solution which helps in the design and optimisation of road networks.

WHAT ARE THE NEXT STEPS IN YOUR CLIMATE STRATEGY?

To bring it into line with the 1.5°C target as soon as possible. We need to keep designing new solutions that cut GHG emissions, both ours and our customers', and adapt our products and services to the climate change that is already noticeable today.

(a) Arts et Métiers ParisTech.
(b) École Spéciale des Travaux Publics, du Bâtiment et de l'Industrie.
(c) Acquérir, Numériser, Analyser, Informer, Sécuriser

Developing our portfolio of low-carbon solutions

The Bouygues group has been building up an extensive portfolio of sustainable construction solutions for over 15 years.

It has focused its climate strategy on seeking innovative, low-carbon solutions for its customers as well as reducing the greenhouse gas emissions associated with its activities.



KNOW-HOW

ECO-CONSTRUCTION, ECO-DESIGN



CONSTRUCTION AND OPERATION OF RENEWABLE ENERGY PRODUCTION INFRASTRUCTURE



OPTIMISATION OF ENERGY AND SERVICES FOR BUILDINGS AND NEIGHBORHOODS



OPTIMISATION OF ENERGY AND SERVICES FOR TRANSPORT



REVERSIBILITY, RE-USE AND RECYCLING

SOLUTIONS

- Low-carbon construction
- Low-carbon concrete, timber-framed structures, biosourced/ recycled materials
- Warm asphalt mixes
- Eco-friendly bitumen

- Storage management: hydrogen, second-life batteries (ELSA)
- Photovoltaic road surfacing: Wattway Pack
- Solar farms, offshore wind turbines
- Buildings that generate energy

- Energy renovation: EnergieSprong, Habitat Réhabilité, Rénovation Privée
- Energy and services management: Wizom, Embix, Citybox, Objenious
- Positive Economy Hybrid Building: Autonomous Building for Citizens (ABC)
- Energy performance contract: Avelty
- Smart City

- Construction of public transport infrastructure
- Building-Mobility convergence: Moov'Hub, Flexy Moov, Alizé
- Dynamic road-marking: Flowell

- Recycling, repurposing and re-use of deconstruction materials: Premys, Elan
- Soil decontamination: Colas Environnement
- Reversibility: the first reversible building (Office Switch Home)
- Recycling and re-use of mobile handsets and home gateways

TECHNICAL AND COMMERCIAL PARTNERS

Major groups

Start-ups

SMEs and microbusinesses

RESEARCH PARTNERS

Smart Buildings Alliance, The International Biodiversity & Property Council, The Shift Project, École des Ponts, ESTP Paris

Massachusetts Institute of Technology, Ideas Laboratory, France's National Solar Energy Institute (INES)

The French building technology research centre (CSTB), Side Walks Labs, WWF, Science Based Targets

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 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.

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.

5G offers an opportunity to leverage the synergies between the Group's business segments. An in-house accelerator, SmartX_5G, groups together all Bouygues' initiatives relating to 5G technology in order to develop services that will improve quality of life for everyone.

FOUR PROMISING TECHNOLOGIES

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 stakeholders in a property development project (developers, architects, consultancy firms and local authorities).
- **The Internet of Things, combined with Big Data**, can harvest and analyse data on an enormous scale for the predictive identification of high-risk areas on road networks through the analysis of vehicle behaviour.

- **With virtual and augmented reality**, it is possible to interact in real time with digital elements that have been added to a live view. For example, brands can insert advertising into a television show without interrupting it. With BIM (Building Information Modelling), 3D can be used to represent a whole range of data used in the design and construction of a structure and simulate its behaviour.

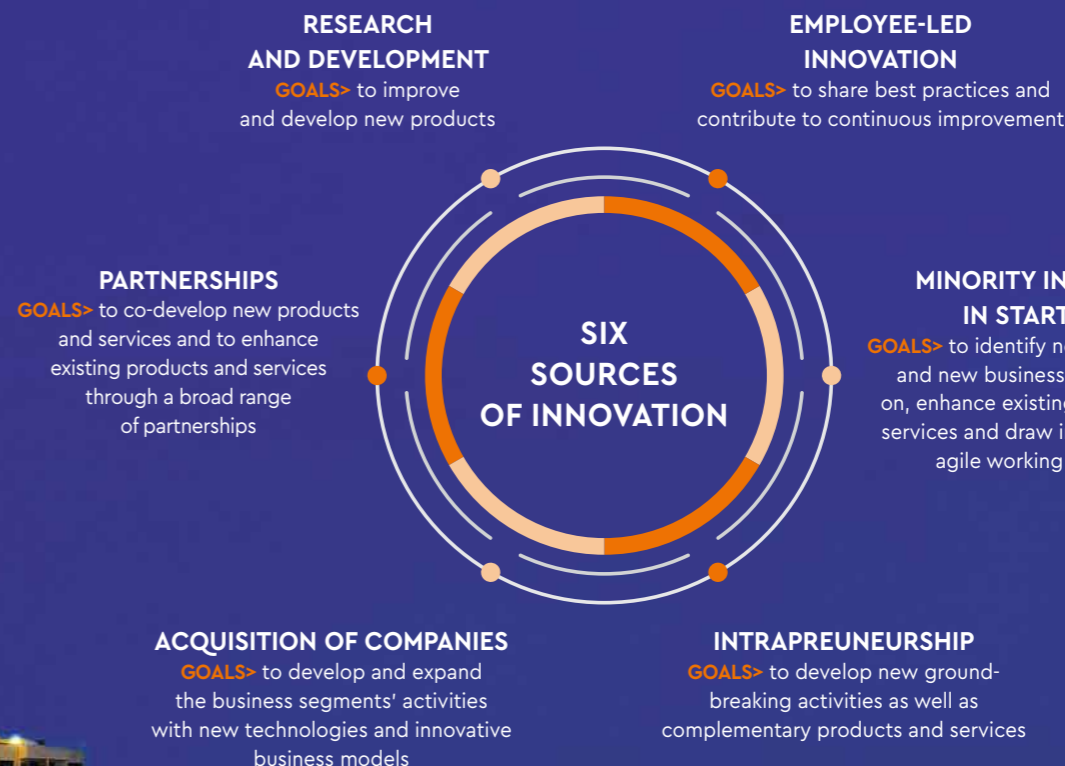
- Finally, **blockchain^(a)** will facilitate the creation of new services by simplifying transaction processes. For instance, it is currently being used to ensure more secure, transparent and faster signing of complex contracts.

A RICH ECOSYSTEM OF PARTNERS

To boost its innovation potential, Bouygues can call on its vast global ecosystem, spanning over 90 countries and bringing together internal and external partners.

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

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



CONNECTED URBAN ENVIRONNEMENTS

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 able to modernise and improve the performance of public services, stimulate the area's digital economy and improve its pulling 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. The ANAIS^(a) 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.

(a) A French acronym for Acquire, Digitise, Analyse, Inform and Make Safe.

(a) A blockchain is a decentralised, distributed and public digital ledger that is used to record transactions (Wikipedia definition).

(b) Massachusetts Institute of Technology in Cambridge, US.

THE STRATEGIC PRIORITIES OF THE BOUYGUES GROUP'S BUSINESSES

Construction businesses

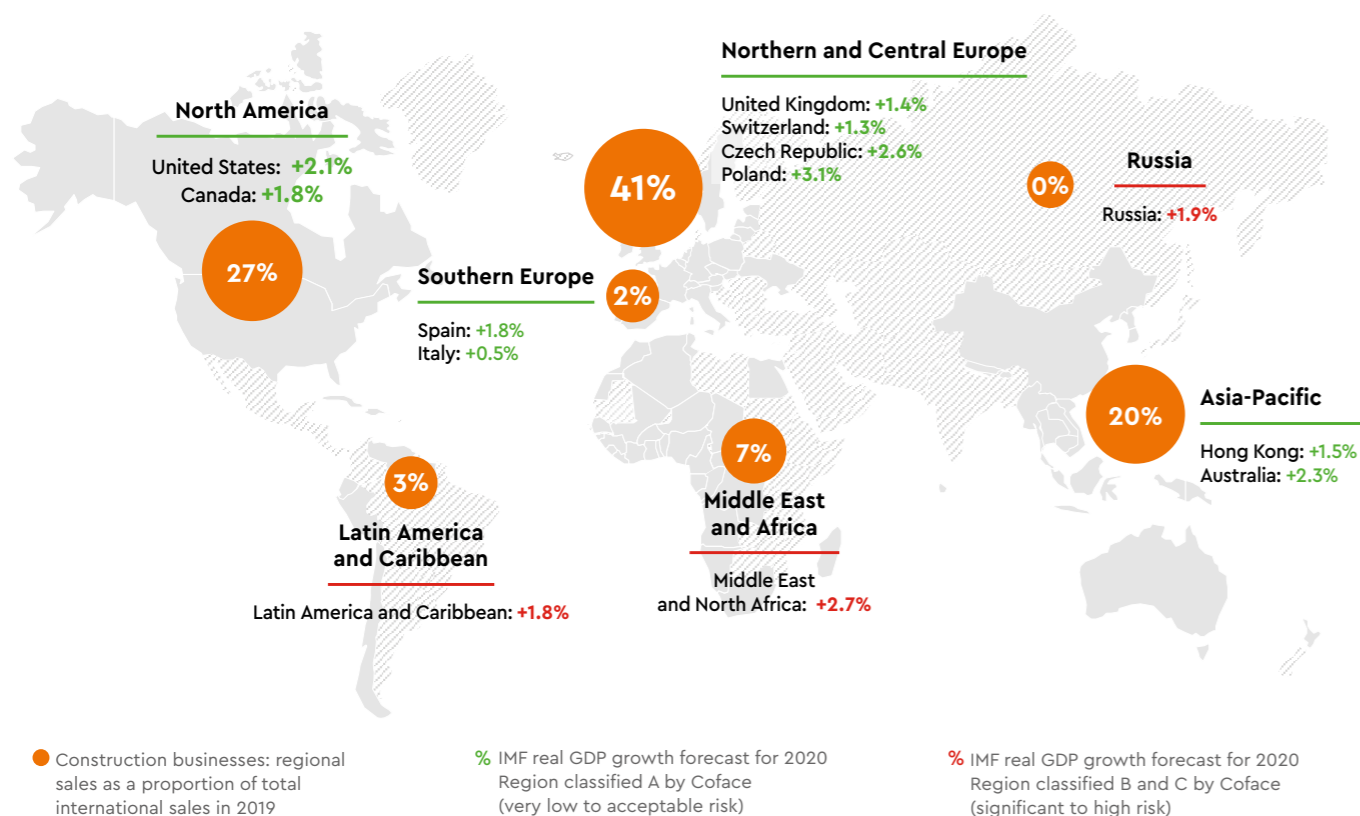
Bouygues is the sixth-largest^a construction group in the world. As a developer, builder and operator, it is active in building and civil works, energy and services, property development and transport infrastructure.

Population growth, urbanisation and new environmental imperatives are generating significant needs worldwide in terms of complex buildings and infrastructure (new build and renovation). In line with the advent of digital technologies, consumer expectations and habits are also changing. As a result, Bouygues is in a good position to provide full-service solutions as well as innovative and high value-added services. Its positioning and many strengths mean that it continues to be a key partner for its customers.



On the worksite of the Port of Calais extension project

A STRONG PRESENCE IN GROWING COUNTRIES WITH A LOW-RISK PROFILE



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

LEAD THE MARKETS FOR THE CONSTRUCTION AND RENOVATION OF BUILDINGS AND INFRASTRUCTURE

Bouygues builds, upgrades and maintains all types of infrastructure in order 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 develops expertise in renovating assets, even whilst they remain in operation.

HELP CUSTOMERS ACHIEVE BETTER ENERGY EFFICIENCY AND DESIGN LESS CARBON-INTENSIVE CONSTRUCTION METHODS

The Group works to optimise the energy efficiency of structures throughout their entire lifecycle.

Customers are offered the option of bioclimatic design, bio-sourced materials and embedded technologies generating renewable energy from solar, wind or other sources, leading to lower running costs and in some cases generating a profit.

LEAD THE MARKET FOR URBAN DESIGN AND DEVELOPMENT – FROM INDIVIDUAL HOUSING UNITS TO NEIGHBOURHOODS AND SMART CITIES

The Group consults customers and local residents, and works hand in hand with local stakeholders to develop projects that promote:

- well-being;
- harmonious living (soft mobility, services, etc.);
- 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 in tune with customers' needs such as connected buildings, modular and reversible housing units, which evolve in line with occupants' changing needs, and collaborative and shared workspaces (Wojo).

EMBODY A COMPREHENSIVE CIRCULAR-ECONOMY POLICY

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 policy will save on materials, reduce haulage needs and lead to lower fossil-fuel consumption as well as lowering building costs.

2019 KEY FIGURES

117,090
Headcount

€29.6bn
Sales

€910m
Current operating profit

3.1%
Current operating margin

€33bn
Backlog

€2.5bn
Net cash

(a) ENR Top 250 Global Contractors, August 2019.

Media

TF1 wants to positively inspire society by informing and entertaining as many people as possible. As France's leading TV media group, it keeps pace with the way people view and consume content (catch-up TV, enhanced services, and, soon, the subscription-based video-on-demand service Salto^a). It has strengthened its presence across the entire value chain investing in new growth-potential sectors such as content production and digital media.

(a) Salto is an OTT (over-the-top) subscription-based video-on-demand service operated by the France Télévisions, M6 and TF1 groups.

TF1 aims to:

PURSUe THE TRANSFORMATION OF THE UNENCRYPTED TV MODEL

- Adapt content accessibility to new non-linear^b and mobile viewing habits via its MYTF1 platform.
- Monetise its additional content and services.
- Propose innovative commercial offerings in preparation of "addressable TV"^c.

CONSOLIDATE ITS POSITION IN PRODUCTION AND ACCELERATE ITS GROWTH IN DIGITAL MEDIA

In TV production, TF1 draws on Newen, which boasts recognised expertise. Newen is aiming to boost its backlog, particularly through the diversification of its customer base and continued

international development, as underlined by the recent acquisitions of stakes in Belgian (De Mense) and Canadian (Reel One) companies.

In 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.



In 2019, TF1 made a number of risky, but successful choices, such as with *Mask Singer*.

Telecoms

For over 20 years, the teams at Bouygues Telecom have made every effort to ensure that technology brings friends and family closer together, thus strengthening ties and creating new ones.

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 at the end of 2020.

Bouygues Telecom has 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. It drives further increases in customer satisfaction by offering intuitive and efficient digitised services, and personalised support from 3,800 customer and sales advisers.

OFFER EXCELLENT QUALITY MOBILE AND FIXED NETWORKS

Bouygues Telecom is ranked No.1^a mobile operator in rural areas and No.2 on average for the whole of France, and its 4G network covers 99% of the population. In its fixed business, it is ramping up the roll-out of fibre and had 12 million premises marketed at end-2019 and is aiming for 22 million in 2022.

MAKE SERVICES AVAILABLE IN THE 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. To this end, it is also gradually bolstering its local distribution channels from 2020.



New advertising campaign launched in February 2019

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.

2019 KEY FIGURES

3,686

Headcount

€2,337m

Sales

€255m

Current operating profit

10.9%

Current operating margin

32.6%

Target audience share^d

>1,500 hours

Newen backlog^e

(b) Viewing that does not follow the broadcaster's imposed schedule. Viewers determine when they view content, for example using the catch-up feature or video on demand.

(c) Whereby different advertising messages adapted to each television viewer are delivered during the same show.

(d) Médiamétrie – Target audience = Women under 50 who are purchasing-decision makers.

(e) Projects > €1m and excluding Reel One.

2019 KEY FIGURES

8,937

Headcount

€6,058m

Sales

€1,411m

EBITDA after Leases^b

30.7%

EBITDA margin after Leases^c

22m

Customers

500

Bouygues Telecom stores in France

3,800

Customer and sales advisers

(a) Survey by Arcep (the French telecoms regulator).

(b) Current operating profit before net depreciation and amortisation expense, net provisions and impairment losses and before effects of acquisition/loss of control.

(c) EBITDA after Leases/sales from services.

4 OUR PLEDGES

To meet its main CSR challenges, underpin long-term growth and guide its transformation, the Bouygues group has signed up to four key pledges: promote each employee's career development; develop sustainable solutions with and for customers; simplify everyday life; and help build harmonious communities.

Inside a store in the La Part-Dieu shopping centre, Lyon



1 PROMOTE EACH EMPLOYEE'S CAREER DEVELOPMENT

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

Bouygues Construction employees

Ensuring employees' physical and emotional well-being is a vital consideration for the Group, which is actively cultivating a global health & safety culture. A lower frequency of accidents in the workplace is a Group-wide target.

Bouygues also endeavours to provide its employees with opportunities for building their skills with a view to furthering their ambitions and meeting the Group's future needs.

Also, the success of Bouygues' businesses is underpinned by the creativity of its teams and an ability to reinvent itself. Diversity is a true driving force that must be encouraged accordingly.

To inspire its people and attract new talent, the Bouygues group aims to:

- offer rewarding careers;
- adapt to changes in the world of work;
- speed up the advancement of women within its companies.

GROUP OBJECTIVES

2019 objectives:

An optimised, more enhanced version of the on-line platform Mobyctic in 2019, giving employees easier access to internal job vacancies

RESULTS

A new version was posted on-line in March 2019. Mobyctic is now available as a smartphone app, helping all employees take advantage of the opportunities on offer across the Group.

Hold a specific event, called Opportunity, to promote intra-Group job mobility

The forum was held on 27 and 28 March 2019. Over 1,200 employees attended the event to obtain information and receive advice on opportunities for career advancement within the Group. Overall, 450 individual interviews were held.

Objective monitoring:

	2017	2018	2019	TARGET	Target date
Improvement in the workplace accident frequency rate ^a	5%	5.2%	4.9%	Lower than in 2019	2020
Increase the proportion of women in the workforce	-	18.4%	18.7% ^b	21%	2020
Increase the proportion of women in executive bodies in France	-	18.8%	20.4%	23%	2020

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

(b) For more details see page 37.

Offer rewarding career paths

Thanks to the diversity of its business activities, the Bouygues group can offer varied and inspiring career paths in France and further afield. Employees can over time build up varied skill sets and pursue satisfying careers.

Employability is a key component of our employees' sense of fulfilment and success. The Group's human resources policy strengthens employability through promotion, training and job mobility.

Internal job mobility, particularly between the five business segments, is an outstanding opportunity for Bouygues staff to develop their talents by working in very different environments. The Group is aware that, to enrich its employees' careers, it must leverage its unique structure. A more dynamic and purposeful policy is therefore being implemented, as illustrated in 2019 by the release of an

upgraded version of Mobyctic, containing more features. This application helps employees take advantage of internal job opportunities. Other initiatives included the Opportunity forum, devoted to internal mobility, and the holding of Group career workshops, through which employees can define and plan their desired career path.

True to its corporate culture, the Group also seeks to spur employee creativity by encouraging innovation through intrapreneurship programmes that support home-grown projects and initiatives. This increases employee buy-in, bringing out the best in them and giving meaning to what they do.

Frédéric GUILLOU
Deputy Manager – Works,
Bouygues Construction



Building is what I do. The Group has enabled me to accumulate valuable experience in every corner of the globe. My career has benefited from these opportunities and the chance to get to know different countries."

Over 1,200 Group employees attended the internal mobility forum



3,350
employees changed jobs within the Group in 2019, equating to an increase of 20% versus 2018

1,300
internal job vacancies were available at any given time for employees to consult on Mobyctic

83,612
employees received training in 2019, equating to an increase of 25% versus 2018

Adapt to changes in the world of work

Employees today expect their workplace to support enhanced well-being, a better work/life balance and new types of organisational structures.

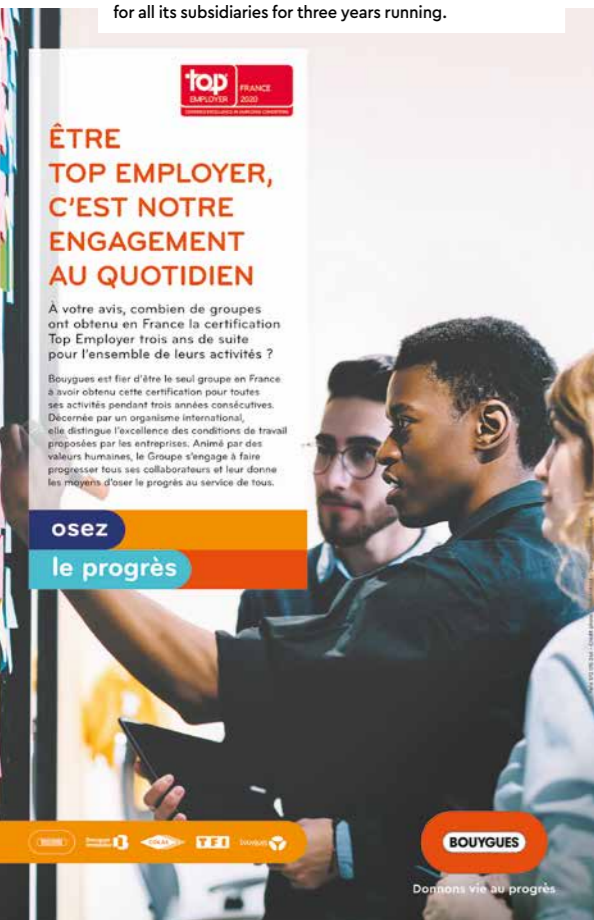
The Group is proposing new, tangible responses to these demands. Ergonomic principles are used for employee health & safety, reducing the level of arduous work and offering a choice of work equipment that enhances safety in production-related professions. For example, Colas provides exoskeletons that improve workers' posture when laying asphalt manually. Bouygues Construction is working with partners to develop portable power tools that meet the highest safety standards, such as the new ultra-safe grinder that will be introduced on all worksites in 2021.

Office spaces are being redesigned to adapt to the latest working methods, which are now more collaborative and agile. Special attention is also paid to workplace and worktime organisation. For example, certain business segments are increasing accommodating arrangements that allow employees to work from home or other remote locations. Furthermore, in addition to raising awareness about the "right to switch off", they regularly conduct anonymous employee satisfaction surveys.

For Bouygues, these are essential steps for improving both individual and team performance. It therefore wants to expand these practices and extend them to all business segments.

Bouygues and its business segments were once again recognised as one of the Top Employers France in 2019. It is the only group in France to receive this certification for all its subsidiaries for three years running.

Prism', the new Colas headquarters, is a positive-energy building designed to facilitate interaction and collaborative work.



Kross Chantier, the smart trailer developed by Bouygues Construction in partnership with K-Ryole (a start-up) to reduce the level of arduous work for site workers

Aurélié MARAIS MACHURAT
Director of Digital Transformation,
Innovation and Marketing, Bouygues UK

“
At Bouygues UK, collaborative working lies at the heart of our transformed corporate culture. The methods deployed in the various entities – from agile thinking and collective intelligence to employee training and the creation of learning communities – are varied, but the goal is the same. This is a groundswell movement that is spreading through the Group. We also use these methods with our customers.”



700
coworking spaces are now available to Bouygues Bâtiment France Europe employees, as a way of improving working conditions

8th
most attractive employer (Bouygues) in France according to LinkedIn's Top Companies ranking in 2019

Bouygues Construction, Bouygues Immobilier, Bouygues Telecom and TF1 all appeared in the "Happy Trainees" rankings of companies where trainees and those on work/study contracts are the happiest.



The fourth women's soccer tournament organised by the Bouygues Construction women's network, Welink



Since 2014, Bouygues has participated in the "Women's Forum for the Economy & Society". In 2019, a women's delegation representing Bouygues Construction and Colas attended the forum in Asia (Singapore) for the first time.

Speed up the advancement of women within the Group

Bouygues 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.

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).

Stop au sexisme !



To mark International Women's day, on 8 March the Bouygues group launched an in-house campaign aimed at raising staff awareness about everyday sexism.

Sabrina MHAMDI
Director of Development,
Bouygues Immobilier,
Seine-Saint-Denis branch

“
The mentoring programme gave me a different type of insight into my strengths, my talents and the reasons I do what I do. I learnt how to be more assured, while continuing to be myself.”



645
women mentored since the launch of the Group's mentoring programmes

TOP 20 worldwide

TF1 ranks in the top 20 companies recognised for their gender equality policy

2 DEVELOP SUSTAINABLE SOLUTIONS WITH AND FOR OUR CUSTOMERS

Tackling environmental issues is key to the Bouygues group's strategy. Taking them into account is vital to the Group's long-term prospects. Beyond that, it represents an opportunity for the Group to position itself as a provider of solutions that respond to the global challenges of climate disruption and resource scarcity.

Aerial view of O'mega1, the first floating solar farm in France and also the largest in Europe, handed over by teams from Bouygues in Piolenc, south-east France

The Group translates its commitment into action by constructing energy-saving housing units, choosing innovative and environmentally friendly materials such as wood, producing energy (through positive-energy buildings, for example), and adopting the principles of the circular economy. Bouygues is also a major player in the design and development of sustainable neighbourhoods, and factors biodiversity into its projects.

Its commercial offerings, which are increasingly co-designed with customers, demonstrate the Group's ability to meet their expectations while at the same time complying with the environmental standards applicable to its business activities.

Consequently, wherever permitted by tendering rules, Bouygues consistently offers even higher-performing solutions than those required by law.

In developing its sustainable solutions, the Bouygues group aims in particular to:

- support customers in moving towards energy transition;
- safeguard resources, and;
- protect biodiversity.

OBJECTIVES

2019 Objectives

At Bouygues Construction, define and roll out a group-wide strategy that includes actual targets and performance indicators relating to the circular economy and responsibly-sourced supplies

RESULTS

This strategy is being revised to take into account the new Group target, established in 2020, of significantly cutting greenhouse gas emissions by 2030.

Objective monitoring:

	2017	2018	2019	TARGET	Target date
Reduce Bouygues Immobilier's GHG emissions by 30% by 2030 versus 2017	556 Kt CO ₂ eq.	n.a.	n.a.	389 Kt CO ₂ eq.	2030
Increase the level of recycled pavement in asphalt mix production at Colas	15.5%	15%	16%	18%	2024
Increase the proportion of Colas quarries and gravel pits working to promote biodiversity	51%	51%	52%	65%	2024
Carry out assessment of all worksites eligible ^a for the Top Site label (1 st CSR label in construction industry)	n.a.	11.3%	20.1%	100%	2020

(a) Worksites eligible for this label must last for more than six months and generate over €3 million in sales.

n.a.: Not applicable.

Support customers in moving towards energy transition

Bouygues offers customers a broad range of solutions for reducing their carbon footprint.

Low-carbon construction is a priority area for the Group, which is raising customer awareness about the issue of energy consumption and promoting the highest sustainable-construction standards.

For example, there are millions of poorly insulated buildings that represent an opportunity for the Group, which has developed its own solutions and is a recognised expert in energy renovation. Bouygues Immobilier and Bouygues Construction offer renovation services through RehaGreen and Wizom Réhabilitation, respectively. These include smart systems that reduce energy consumption while improving the comfort of residents.

Since 2007, Bouygues and its business partners have also offered solutions for producing renewable energy. Several innovations have made it to the market, including positive-energy buildings, low-carbon buildings, passive-energy buildings and Wattway solar road surfacing.

Bouygues also helps local authorities introduce sustainable mobility solutions. The Group develops transport infrastructure (tram lines, cycle paths, etc.) and incorporates soft mobility right from the building design stage (electric vehicle charge points, electric vehicle sharing, shared parking spaces, etc.).

Marc DELETANG
Director of Product structuring and Production, UrbanEra (Bouygues Immobilier)

“Through its UrbanEra eco-neighbourhoods, Bouygues Immobilier and its business partners can offer local authorities an integrated approach combining sustainable construction, energy efficiency, functional diversity, soft mobility and biodiversity.”



The first autonomous building concept in France, ABC (Autonomous Building for Citizens), was developed by Bouygues Construction's R&D unit. The Grenoble demonstrator will be inaugurated in 2020.

Floatgen, the floating solar farm developed by Bouygues Construction and seven other European partners, surpassed output and service-availability forecasts in the second half of 2019.



Colas began marketing the first application of its photovoltaic road surfacing, Wattway Pack.



EDA

Bouygues Immobilier's EDA project (low-carbon, positive-energy building) wins the contract, following the 'Invent the Grand Paris Metropolitan Area 2' call for projects

2,000 housing units and 160,000m² of office space are now covered by Issy Grid, the first operational smart grid in France

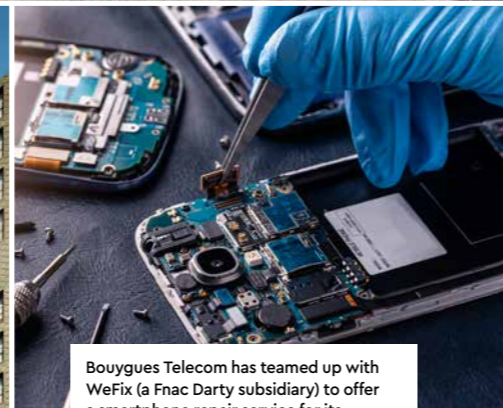
Runway 3 at Paris-Orly airport was renovated by Colas. The on-site recycling plant led to the re-use of 200,000 tonnes of material from the old runway.



Over **800** production units, installations and worksites worldwide enable Colas to produce 16 million tonnes of recycled materials.



47% of Bouygues Construction's non-hazardous waste is recycled worldwide



Bouygues Telecom has teamed up with WeFix (a Fnac Darty subsidiary) to offer a smartphone repair service for its customers that extends the life of their devices.

On the project at 185 avenue Charles-de-Gaulle, Neuilly-sur-Seine, led by Rénovation Privée (a subsidiary of Bouygues Bâtiment France Europe), priority was assigned to re-using materials, with the result that 94% of materials could be re-used.

Safeguard resources

The construction industry generates 70% of the 324 million tonnes of waste produced in France. The increasing scarcity and rational use of natural resources are therefore particularly important issues for the Group. Bouygues is therefore rethinking its processes, products and services to incorporate the principles of the circular economy and reap the environmental and economic benefits that this will afford.

The Group's construction businesses are implementing solutions centred around four priorities. The first is selecting sustainable and easily recyclable materials during the design phase. The second is reducing the amount of resources used during construction. The third is recovering and re-using materials on site, and the fourth is recycling waste material from

construction worksites or demolition projects. Colas is one of the world's five biggest recyclers across all sectors and types of material.

In 2019, Bouygues Construction unveiled its innovative "Office Switch Home" in Lyon, the first-ever reversible office building. This concept increases the longevity of an office building by including – right from the design phase – the possibility of repurposing it as housing at a later date. Bouygues Construction is also trialling alternatives to concrete and developing expertise in the use of timber – the building material with the smallest carbon footprint.



Our ambition is to offer circular solutions at all project phases, across our business lines. Three successful examples are an office building that can be transformed into housing, underground electrical cables not requiring sand-based filling materials, and recycled-concrete road structures."

Stéphanie BARRAULT
Circular-economy R&D project manager,
Bouygues Construction

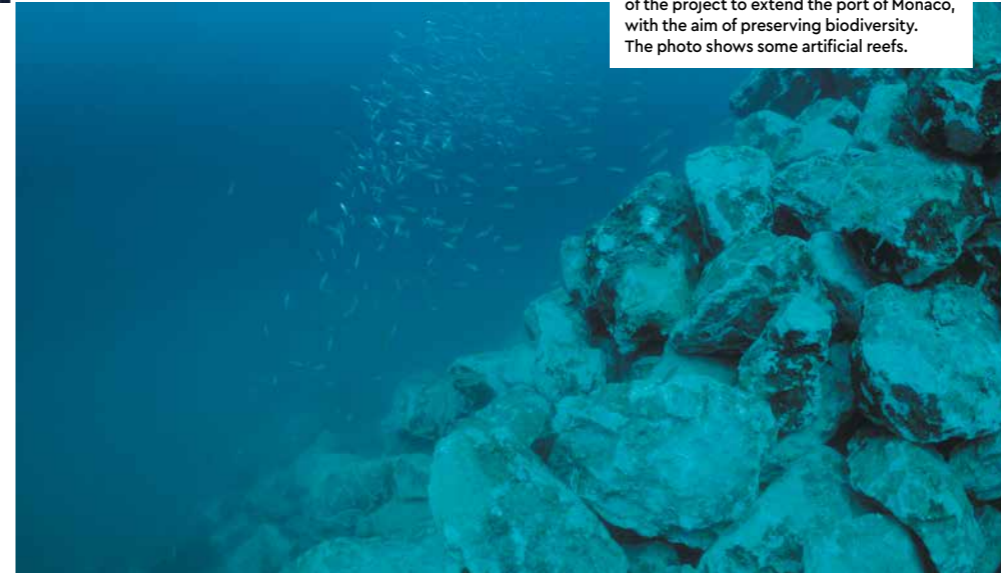
Promote biodiversity

Biodiversity is under threat from our current way of life and therefore needs to be protected and enhanced. Aware of the impact that infrastructure projects can have, the Group is working hard to limit the environmental footprint of its structures and provide solutions for safeguarding natural ecosystems right from the design stage.

Bouygues Construction and Colas both have environmental engineering units. For several years, they have 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.).

Bouygues Construction helped create "BiodiverCity", the first international label to recognise construction and renovation projects that take urban biodiversity into consideration. Colas has developed an environmental engineering entity offering biodiversity protection solutions, such as the creation of fish passages and waterways as well as quarry rehabilitation. With the help of a specialist consultancy, Bouygues Immobilier has started looking at ways to add even more greenery to its developments.

Environmental engineering is a core part of the project to extend the port of Monaco, with the aim of preserving biodiversity. The photo shows some artificial reefs.



Environmental engineering site (upgrading work to ensure ecological continuity or to contribute to the resilience of ecosystems) operated by Colas (Schweix).

Jean-Claude FONTENILLE
Director of Sales, France
Colas



Drawing on its expertise in earthworks, hydraulic works and civil engineering, Colas has developed an environmental engineering solution that restores ecological continuity, rehabilitates vulnerable natural areas and controls invasive plant species."



Bouygues Immobilier, **1st** company to sign the Métropole Nature Charter, which aims to safeguard biodiversity in the Grand Paris metropolitan area

23% of Bouygues Construction's major projects include biodiversity measures

Over **180** Colas quarries and gravel pits worldwide have committed to safeguarding and developing a type of wildlife species on their sites

3 SIMPLIFY EVERYDAY LIFE

The Bouygues group improves the lives of customers and end-users through the innovative solutions developed by its business segments.

All of its products and services are designed to make everyday life easier and more enjoyable, whether at home, neighbourhood or city level, or in transport, communication, news or entertainment.

To simplify everyday life, the Bouygues group commits to:

- streamlining the experience of residential property customers;
- making it easier to access communication networks and media content, and;
- facilitating mobility in both urban and rural areas.

GROUP OBJECTIVES

2019 Objectives:

	RESULTS
At Bouygues Construction, incorporate "Wizom Connected" ^(a) into 20% of housing units built worldwide	The Wizom Connected solution has been fitted to around 10% ^(b) of new builds.
12 million households covered by Bouygues Telecom's fibre optic network by end-2019	Close to 12 million households were covered at the end of 2019.
Start marketing Wattway Pack, the first use of the Wattway photovoltaic road surface from Colas	Wattway Pack was launched at the French local government trade fair, in November 2019.

Objective monitoring:

	2017	2018	2019	TARGET	Target date
At Bouygues Immobilier, fit all housing units with Flexom digital technologies in 2020	1%	34%	70%	100%	2020
Open 1,200 Wojo ^(c) coworking spaces in France and Europe, including 80 proprietary Wojo locations, by 2023	7 sites	10 sites	11 sites	80 sites	2023

(a) The housing solution developed by Bouygues Construction to usher in a new era of connected, adaptable, resource-saving and customisable homes. It also includes a maintained-occupancy renovation service.

(b) The roll-out of the Wizom Connected solution was impacted by regulatory changes and budgetary restrictions by social landlords in 2019.

(c) Wojo is the new name for Nextdoor, as of March 2019.

Offer a quality experience to residential customers

Climate change, today's energy transition, the new possibilities offered by digital technology and the need for greater ease of use are reshaping the expectations of our customers in relation to the housing that we are developing.

Aware of these changes, the Group is designing buildings that strike a balance between energy efficiency and user-friendliness while adapting to occupants' needs.

For example, the Group's connected homes solutions offer them the following:

- more convenience, thanks to central and remote control of lighting, heat and rolling shutters;

- increased energy savings and performance. Because residents can monitor their consumption in real time and remotely control devices, they can reduce their utility bills and save water, gas and electricity;
- safety and security thanks to sensors that can detect leaks, fires, open windows, doors not closed or locked properly, and more besides;
- good health through sensors that indicate indoor air quality.

Technology is therefore used to make life better every day. Bouygues also offers housing units that can be adapted to meet the changing needs of its residents, precipitated for example by a new baby or the need for home healthcare.

Julien Schmid
Director of Strategic Marketing,
Bouygues Construction

“

Our adaptable housing solution, "Wizom for Life", which won the 2019 Netexplo Change award, supports occupants at every stage of their lives (new baby, retirement, etc.). Several trials in France demonstrated the effectiveness of this concept.”

Sensations is a Bouygues Immobilier residential project in which consideration was given to ways of improving indoor air quality in the apartments by using materials with low pollutant emission levels.



20%
rent reduction for future tenants of socially responsible housing units^(a) built by Bouygues Construction in Stains, near Paris

118
homes for owner-occupiers were equipped with Wizom Connected services as part of the Chapelle International project, in the summer of 2019



Bouygues Immobilier has opened Bi Stores, where potential buyers can immerse themselves in their future home using a suite of digital tools.

(a) Socially responsible housing is high-quality housing that is more affordable than comparable offers. It is a perfect solution for low-income households who do not qualify for social housing.

Make it easier to access communication networks and media content

Communication is a fundamental societal need and how we go about it is rapidly changing. People today expect to be able to access tailored content and services instantly – anywhere, any time and on any device. Data consumption requires top-quality service. In addition, consumers are being offered increasingly personalised content.

The Group strives to deliver a communications experience that meets customers' expectations.

To do so, it continues to invest in expanding the availability, quality and reliability of its very-high-speed fixed and mobile networks. It is also streamlining and simplifying access to content at home or on mobile devices, at all times of the day.

In addition, the Group is working to ensure that everyone, even people living in less densely populated areas, have equal access to all of its services.

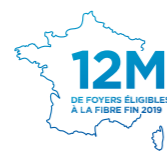
As it seeks to fight fake news, TF1's evening news broadcast on Saturday has a new fact-checking slot, run in collaboration with AFP.



Bouygues Telecom won the 2020 Customer Excellence award for its exemplary approach to improving the customer experience.



En région, la fibre Bouygues Telecom prend de la vitesse.



Depuis 2018, Bouygues Telecom poursuit le développement de son réseau Fibre portant aujourd'hui à 7,2 millions le nombre de logements et locaux professionnels éligibles.

En 2019, la cadence s'accroît pour couvrir 4,8 millions de nouveaux logements sur l'ensemble du territoire d'ici la fin de l'année.

Les zones peu denses sont au cœur de nos préoccupations. Nous nous engageons à poursuivre nos investissements dans les Réseaux d'Initiative Publique pour que le plus grand nombre puisse bénéficier des dernières évolutions technologiques que permet le Très Haut Débit.



Bouygues Telecom is rolling out fibre in semi-rural and rural areas.

Rafika REZGUI
Director of Network
External Relations,
Bouygues Telecom

“The high quality of its coverage makes Bouygues Telecom a player in regional development, bringing the digital world within everyone's reach.”



No.1
Bouygues Telecom ranked top for the quality of its mobile network in rural areas, for the second consecutive year (Arcep 2019 survey)

99%
of the French population is now covered by Bouygues Telecom's 4G network (64 million people)



25%
of Bouygues Telecom's fixed-line customers have FTTH^a, equating to a total of 1 million

(a) Fibre-To-The-Home.



Wojo^a, Bouygues Immobilier's coworking solution, is helping to optimise commutes to and from work.



Building a new bridge (Manosque, southern France)

Facilitate mobility in both urban and rural areas

Mobility requirements are increasing in both urban and rural areas, driven by the dual effect of population growth and urbanisation. Metropolitan areas are suffering because their infrastructure is inadequate, leading to traffic congestion. One of the challenges is reconciling these new mobility needs with a limited land take. Bouygues provides a range of solutions.

For as long as it has existed, the Group has built new infrastructure that eases the flow of people and goods: tunnels, bridges, roads, railways and cycle paths. It also builds alternative modes of transport that are more environmentally friendly and more economical for their users, such as urban cable car networks. In addition, Bouygues maintains roads, railways, bridges, airport runways, breakwaters and more besides, in France and further afield.

The Group is now introducing digital technology into urban spaces. Colas is leveraging the power of connected objects to invent smart roads that provide innovative services to enhance safety, streamline traffic and make it easier to find parking. Connected objects also ensure that preventive maintenance is carried out so that infrastructure continues to function properly.

(a) Wojo has been the new name for Nextdoor since March 2019.

Aude LAUNAY
Founder of the Flexy Moov project

“An offshoot of the Bouygues group's intrapreneurship programme, Flexy Moov offers companies a new service for their staff: a multimodal eco-mobility hub. Flexy Moov is designed to simplify employee travel, improve quality of life at work and make a real difference in terms of decarbonisation and reduced vehicle ownership.”



Inauguration of Transpolis, an urban environment designed to test out urban mobility solutions, in July 2019 (Colas and Bouygues Telecom)



ANAIS
(Mobility by Colas) was awarded the Road Safety Innovation Trophy in February 2019

12 km
of railway tunnel excavated by Bouygues Travaux Publics for the Grand Paris infrastructure project

Over **15,000**
electric vehicle charge points have been installed by Bouygues Energies & Services

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.

Green Office Enjoy, the first positive-energy, timber-framed building

This is because Bouygues believes that strengthening ties and dialogue helps make life better every day. The Group wants to bring people together wherever it can to promote mutual assistance, harmonious relationships and community cohesion, thereby fostering a greater sense of social inclusion.

Motivated by this vision, the Group and its business segments design products and services that provide positive inspiration and cultivate a sharing mindset. Neighbourhoods and residential developments are built around spaces that serve as social hubs, where residents can meet up and enjoy shared services.

Digital technology – a powerful driver for bringing people closer together – adds a further dimension. As a media group, TF1 takes seriously its responsibility to break down social barriers and shine a spotlight on the benefits of diversity.

To help build harmonious communities, the Bouygues group commits to:

- bringing people closer together;
- opening up dialogue and co-design efforts to residents and customers;
- encouraging local initiatives that help others within the community.

GROUP OBJECTIVES

2019 objectives:

	RESULTS
At Bouygues Immobilier, incorporate the "Entre Voisins" ^a app into every multi-unit housing development marketed in 2019	All occupants of Bouygues Immobilier residences are able to download the "Entre Voisins" app for free to their smartphone, tablet and/or PC. At end-2019, this app was available in 8,521 housing units.
At Bouygues Construction, develop Fab Lab ^b services and 'third spaces' to strengthen ties within neighbourhoods, in offices and on university campuses	Within the future "Les Fabriques" eco-neighbourhood in Marseille, a "Fab Lab" has been developed that includes France's largest makerspace run by Ici Marseille. This is a huge collaborative and socially responsible makerspace that will involve local businesses, designers, artisans and artists and will have a major focus on digital and technological innovation.
At TF1: help fight cyberbullying by partnering with Respect Zone, a charity	The news mediator's website, as with all other websites and social media accounts operated by the TF1 group, now has a link to the Code of Conduct published by Respect Zone, an NGO with which it has signed a partnership agreement. Respect Zone exists to promote good online behaviour, and its Code of Conduct calls not only for respect, but for digital spaces and content to be moderated.
At Bouygues Construction, encourage the use of CityPlay to increase the proportion of property developments designed in consultation with local stakeholders.	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'), and the Smart city projects of Bouygues Energies & Services.

Objective monitoring:

	2017	2018	2019	TARGET	Target date
Increase the number of Colas production sites working to promote dialogue with local communities	47%	47%	49% ^c	50%	2021

(a) Through "Entre Voisins", a social media app which helps neighbours exchange services, Bouygues Immobilier is working to foster friendly, cooperative atmospheres in its apartment buildings.

(b) Short for "fabrication laboratory", these are DIY spaces, usually open to the public, where people can use traditional tools, laser cutters, milling machines and 3D printers.

(c) The pro-forma number, excluding Miller McAsphalt group from the scope.

Bringing people closer together

All the Bouygues group's business segments leverage their specific characteristics to help strengthen ties and create an environment of harmonious co-existence.

This is especially true for TV programmes, which spark debate, promote worthwhile causes and enable people to share in soul-stirring events together. TF1's channels want to positively inspire society. They work hard to ensure they represent diversity in all its forms and provide an arena for all types of opinion and difference to be heard.

Telecommunications, by their very nature, bring people closer together by connecting them in a way that negates the physical distance between them. Its 5G network is set to open at the end of 2020.

Construction businesses build spaces for everyday interaction between people and social groups. Social diversity is therefore a key consideration when designing eco-neighbourhoods. On a smaller scale, shared spaces and services within apartment buildings energise relations between residents, as do neighbourhood social-media platforms.

The Group today believes it has a duty to reinforce social cohesion by fighting discrimination and fostering mutual assistance and harmonious co-existence. In November 2019, it signed the manifesto for the occupational integration of people with disabilities. At the initiative of the French government and Salon du handicap, this charter of operational commitments aims to ensure people with disabilities are better catered for in the world of work.

Sylvia Amicone
host of LCI's *Impact Positif*
podcast



“

In this podcast, I talk to people with inspiring stories who have started projects that make a real difference to society by tackling climate-related or social issues.”



Scan this QR code (app and internet connection required). Podcast in French only

« Papa, tu peux garder Léa ce matin ? »

on est fait pour être ensemble

bouygues

"We are made to be together" – Bouygues Telecom's new corporate slogan



1,000,000 hours of occupational integration annually at Bouygues Construction

10.7m viewers tuned in to watch the France-USA match on TF1 during the FIFA Women's World Cup soccer championship, the best audience score of 2019

Open up dialogue and co-design efforts to residents and customers

Bringing together all stakeholders – whether elected officials, local residents, students, senior citizens or first-time buyers – before a project is launched provides an opportunity to design and offer more suitable and more broadly accepted solutions. For this reason, all the Group's business segments welcome dialogue and consultation, making every effort to listen to the ideas and concerns voiced.

The Group's construction businesses make it a priority to listen to residents' expectations and place them at the centre of projects. They are involved at all stages – before, during and after handover. A range of different solutions is offered: meetings, dedicated apps and co-designing projects with the residents.

At the local level, site managers communicate openly with local residents to ensure better acceptance of construction sites. For example, Colas gives out satisfaction surveys to residents during maintained-occupancy rehabilitation projects. These aim to measure satisfaction according to four criteria: information before the work commenced, the quality of the work, the clean-up afterwards and relations with the company.

Bouygues Telecom involves customers in the continuous improvement of its products and services. For the second consecutive year, it held an open day called "Rencontres Clients" 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.

These initiatives have proven effective and will be held again.



Bouygues Immobilier is developing consultation and co-design methods for its property developments. One example is Sollys, a collaborative housing project in Lyon Confluence. Ten future client-families are completing the co-design workshops for their homes.



Com'in, a product of the Bouygues group's intrapreneurship programme, is a platform that analyses and manages noise, dust and mobility-related issues in real time.



3 neighbourhood projects have benefited from the Mixcity initiative. An idea by Bouygues Construction, a sociologist is brought in to talk to local residents and identify the preferences of each social class as regards accommodation and the neighbourhood

800 people took part in the "Cœur de chantier" initiative, with the support of Bouygues Immobilier, in Nanterre. The objective was to help work towards urban transformation by involving the entire neighbourhood in the design of a collective work of art to energise the neighbourhood

Around **400** Colas production units have pledged to conduct an official dialogue exercise with local residents, elected representatives and authorities

Laurent MAREUGE
Founder and CEO of the start-up Com'in

“Com'in's network of smart sensors can be harnessed to analyse and manage disturbances in real time. Local residents are informed and consulted through the app, enabling worksite supervisors to make the right choices when carrying out the work.”



Akamasoa is an NGO supported by Bouygues SA in Madagascar that aims to get people out of the slums in Antananarivo by creating villages and giving them back their dignity through education and work.



The Bouygues Immobilier corporate foundation is supporting the Médiaterre project run by Unis-Cité.

Fabrice KAKCHA NTICHI
Former grant-holder of the Francis Bouygues Foundation

“Thanks to the help of the foundation and my studies at the engineering school Enseirb-Matmecca^a, I was able to start my career and I work as a developer. I'm now mentoring a grant-holder myself.”

(a) École Nationale Supérieure d'Électronique, Informatique, Télécommunications, Mathématique et Mécanique in Bordeaux

Encourage initiatives that help others within the community

Patronage policy is implemented at Bouygues group level, within business segments and through community initiatives. The patronage policy of the parent company, Bouygues SA, focuses on three themes: education, health and social initiatives. Each of the Group's five business segments also carries out its own patronage initiatives.

The Group helps and supports all kinds of initiatives, small-scale or otherwise, giving priority to long-term actions. It does so around the world, wherever it operates, participating in local life and paying particular attention to projects supported by its employees.

Their dedication helps extend Bouygues' positive impact into local communities. Whenever possible, the Group's business segments give tangible expression to their societal commitment by volunteering their knowledge and expertise. For example, 1,165 Bouygues Telecom employees volunteer their time for charity initiatives.



1,165 volunteer employees from the Bouygues Telecom corporate foundation are involved in patronage initiatives during their work hours

152 not-for-profit organisations are supported by TF1 in the areas of community action, promotion of diversity and sustainable development

889 students supported by the Francis Bouygues Foundation since its launch



5 OUR GOVERNANCE

Bouygues enjoys a stable governance adapted to the structure of a diversified group. As a result, it can implement its value-creation strategy over the long term. Reflecting its culture, the Group focuses on trust and empowerment, as well as on dialogue between the parent company and the business segments.

The positive-energy buildings "Upside" and "Hub 24-7" in the new Nanterre Cœur Université district near Paris

A BOARD OF DIRECTORS SERVING A LONG-TERM VISION

Composition of the Board of Directors

After the AGM of 23 April 2020



■ Martin Bouygues Chairman and CEO
 ■ Olivier Bouygues Deputy CEO
 ■ Charlotte Bouygues Standing representative of SCDM



■ William Bouygues Standing representative of SCDM Participations
 ■ Benoît Maes
 ■ Clara Gaymard



■ Anne-Marie Idrac
 ■ Colette Lewiner
 ■ Rose-Marie Van Lerberghe



■ Alexandre de Rothschild ■ Francis Castagné* ■ Raphaëlle Deflesselle



■ Michèle Vilain

- Members of the SCDM group
- Independent directors
- Non-independent external director
- Director representing employees
- Directors representing employee shareholders

- 50%** Independent directors
- 58%** Female Board members
- 56.4** Average age of directors
- 38%** of directors have HR and/or CSR expertise

SENIORITY

- 6 Under 5 years
- 5 From 5 to 9 years
- 2 10 years and over

VARIED AND COMPLEMENTARY EXPERIENCE AND SKILL SETS

Given the diversity of the Group's business segments, its Board members must represent a broad range of skills.

Sector-specific skills

France – International
 Banking – Insurance, Construction – Property, Power – Transport – Utilities
 Civil service, Industry, Media, Telecoms

Professional skills

Digital media – Finance – Senior executive in a large group – Corporate Social Responsibility – International experience

Work of the Board and its committees in 2019

WORK BY THE BOARD ON THE GROUP'S MAJOR STRATEGIC CHALLENGES

The Board ensures the Group's strategy is followed. All major strategic decisions affecting Bouygues and its business segments are reviewed at the meetings. For example, plans to sell part of Bouygues' stake in Alstom were reviewed by the Board of Directors in 2019.



KEY BOARD FIGURES FOR 2019

- 94%** Average attendance
- 7** Board meetings

(a) Corporate Social Responsibility.

THE WORK OF THE THREE SPECIAL COMMITTEES IN 2019

Audit Committee

Helman le Pas de Sécheval
 Chairman

- Oversees the financial statements and financial information preparation process
- Verifies the effectiveness of internal control and risk management systems
- Reviews the risk map and major litigation
- Organises the selection of auditors and monitors their work and the main litigations

5 meetings in 2019

95% average attendance

Ethics, CSR and Patronage Committee

Anne-Marie Idrac
 Chair

- Ensures compliance with the Group's values and rules of conduct
- Monitors issues relating to compliance, CSR and changes to business models
- Tracks implementation of sustainable development roadmaps by the business segments
- Gives its opinion on patronage actions to the board
- Approves new compliance programmes and revisions to the Code of Ethics and to existing compliance programmes

5 meetings in 2019

100% average attendance

Selection and Remuneration Committee

Colette Lewiner
 Chair

- Gives its opinion to the board on appointments and term-of-office renewals of the directors, the CEO and Deputy CEOs
- Gives its opinion on the composition of committees
- Presents proposals to the Board of Directors on remuneration policy and the amount of remuneration paid to corporate officers
- Recommends policy for stock option awards

4 meetings in 2019

100% average attendance

(a) Francis Castagné's term of office expires after the 2020 AGM. Two new directors representing employees are due to be appointed by the Group Council scheduled to meet on 4 June 2020.

FIND OUT MORE
 > Bouygues' 2019 Universal Registration Document, section 5.3

MANAGEMENT TEAM AND REMUNERATION PRINCIPLES

The Group's senior management team

The Group Management Committee is comprised of the four Executive Officers of the parent company and the five heads of the business segments, who all have vast experience within the Bouygues group.

Each business segment defines its own business strategy within the framework of the overall vision as determined by the parent company. As such, the business segments work to meet the major challenges facing the Group whilst retaining a great deal of freedom in managing their own operations. Continuous and constructive dialogue between the parent company and the business segments is pivotal in ensuring harmonisation and coordination at the highest level.

SELF-STANDING SUBSIDIARIES COORDINATED BY THE PARENT COMPANY AND BUSINESS-SEGMENT HEADS INVOLVED IN THE GROUP'S SENIOR MANAGEMENT

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

The business segments' senior management team:

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



Philippe Bonnavé
Chairman and CEO of Bouygues Construction



Pascal Minault
Chairman of Bouygues Immobilier



Frédéric Gardès
CEO of Colas



Gilles Pélisson
Chairman and CEO of TFI



Richard Viel
CEO of Bouygues Telecom



In line with practices at the parent company, the Boards of Directors of each business segment are supported by committees that enhance their decision-making in areas such as audit, business ethics and remuneration.

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

Remuneration linked closely to performance

The remuneration policy, which is tailored to each employee and based on merit, is an integral part of the Group's culture. Because remuneration underpins business development and performance, Bouygues wants it to be central to operations in all its entities, in every country. Where personal and team targets have been met or surpassed, this is rewarded.

In 2019, a Group Remuneration & Benefits unit was set up to centralise and implement best remuneration practices.

GENERAL REMUNERATION PRINCIPLES

The remuneration policy at the Group has four major components:

Giving employees a share in the company's profits

- In France, 99% of employees benefit from compulsory or voluntary profit-sharing agreements.
- Specific adapted agreements are in force in international businesses.
- Employee-savings incentives are offered in France and internationally.
- Capital increases are regularly reserved for employees (some 54,400 are Group shareholders).

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 from different angles 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.

Offering a comprehensive package

- Aside from pay rises, the Group offers other benefits such as high-grade healthcare insurance, personal risk coverage, agreements promoting work-life balance and quality of life at work, supplementary pension benefits and training.

Tailoring remuneration policies to professions, specific profiles and geographies

- Policies are calibrated to take into account geographical area, economic context, labour market, rare skills and newness of professions, in keeping with the Group's standards as mentioned above.

REMUNERATION OF EXECUTIVE OFFICERS

Aside from regular salaries, the remuneration of Bouygues SA Executive Officers comprises an annual variable portion and, in the case of Olivier Roussat and Philippe Marien, a multi-year component consisting of a conditional award of existing Bouygues shares.

Annual variable remuneration

This may attain 160% of fixed remuneration, subject to:

- 56%** Business performance: achievement of business plan targets.
- 25%** Balance sheet strength: change in net debt relative to the business plan.
- 19%** Extra-financial goals: meeting targets relating to health & safety (lower accident frequency than in previous year), the climate (roll-out of a climate policy compatible with the targets of the Paris Agreement), compliance and managerial performance.

Long-term remuneration

In 2019, multi-annual variable remuneration was discontinued for Martin Bouygues, Olivier Bouygues, Olivier Roussat and Philippe Marien, from which they had benefited since 2017. This was superseded – for Olivier Roussat and Philippe Marien – by long-term variable remuneration (for the three-year period 2019–2020–2021). It takes the form of a conditional award of existing Bouygues shares (limited to 40,000 shares per beneficiary) and aims to ensure that the interests of the Group's Executive Officers are far more closely aligned with those of other shareholders. This mechanism provides no benefits to Martin Bouygues or Olivier Bouygues as their personal circumstances ensure that their own and shareholders' interests are aligned.

The share award will be subject to the following conditions:

- **Presence**
(The beneficiary must be an Executive Officer at the time of the award)
- **Business outperformance**
(up to 75%)
- **Share-price outperformance**
(up to 25%)

Long-term remuneration is split evenly between a cash award (based on the opening price on the day before the award) and a share award. Lastly, 60% of the shares awarded are held in registered form until they represent the equivalent of 1.5 times the fixed remuneration of Olivier Roussat and Philippe Marien. The shares awarded are locked up until their term of office ends. It was proposed at the Combined Annual General meeting of 23 April 2020 to continue this mechanism over the period 2020–2022 for Olivier Roussat.

FIND OUT MORE
> Bouygues' 2019 Universal Registration Document, section 5.4

ETHICS AND COMPLIANCE: A PERMANENT COMMITMENT BY THE GROUP

In 2006, the Bouygues group introduced a Code of Ethics, which sets out the essential values to which the Group and its employees are expected to adhere in performing their professional duties. It is intended to help employees make decisions in real-life situations by reference to clear and precise principles.

Certain major themes have since been expanded on in full compliance programme documents. The Ethics, CSR and Patronage Committee, a driving force within this domain, is systematically informed whenever serious shortcomings are observed and monitors the remedial measures.

CODE OF ETHICS



5 COMPLIANCE PROGRAMMES



In these compliance programmes, the Group reiterates the main regulations and rules of conduct that are applicable, and specifies the measures for information, prevention, control and penalties that are to be implemented within the business segments.

The Code of Ethics and the compliance programmes, which are disseminated to employees, are updated regularly based on feedback.

In 2017, an extensive review was carried out to update them, resulting in a new programme on embargoes that was subsequently disseminated to employees. The corporate whistleblowing facility was also revised subsequent to enactment of France's Sapin 2 anti-corruption and transparency law.

In 2019, the Ethics, CSR and Patronage Committee and the Board of Directors reviewed the organisation of the compliance process and the implementation of procedures connected with the Sapin 2 law throughout the Group.

As with the parent company, each business segment has its own Ethics committee and Ethics officer.

The Code of Ethics is available at bouygues.com.



The on-line training app "Fair deal" by Bouygues Construction aims to help employees make decisions that are consistent with the Group's ethics and compliance policies.

EXERCISING OUR DUTY OF VIGILANCE

The Bouygues group is intent on preventing serious infringements of human rights and safeguarding its personnel and the environment. In 2019, it published its third vigilance plan.

The vigilance plan aims to identify and manage – all along the value chain – the potential risks to people and the environment arising from Bouygues' business activities. It is an integral part of the Group's policy on business ethics and has been implemented in each of the five business segments.

Pinpointing the main risks

Each business segment has identified, analysed and ranked its risks. The main risks for the Group are connected with:

- environmental damage and operational and industrial pollution risks;
- human rights abuses such as contracting work that may result in population displacement and excessive working time;
- risks relating to security, workplace accidents and occupational illnesses;
- risks relating to purchasing and supplier relations.

Vigilance plans

Formally identifying these risks has led to tougher existing measures and new prevention and mitigation actions. Specific Group-wide governance measures have been implemented by each business segment to oversee these action plans, resulting in higher levels of collaboration among the departments concerned. These measures were presented to the Bouygues Ethics, CSR and Patronage Committee.

Furthermore, Bouygues' responsibility and achievements are intrinsically linked to those of its suppliers and subcontractors. The CSR Charter for suppliers and subcontractors, which was updated in 2019, embodies Bouygues' commitments and those that must be upheld by companies wanting to do business with the Group. This document is appended to orders and contracts

managed by the Group's purchasing departments. Failure to uphold these rules can lead to measures up to and including termination of the contract.

Official partnerships with EcoVadis, as well as the Acesia system offered by Afnor, the French standardisation body, provide a way to assess the CSR performances of suppliers and subcontractors that have signed master service agreements with the Group's business segments. This means that suppliers and subcontractors can be included in remedial measures. In the past two years, 8,590 CSR assessments have been carried out. Each business segment ensures, through external audits, that their suppliers uphold the CSR obligations incumbent upon them.




Whistleblowing mechanism

To receive and process all whistleblowing alerts, including those relating to due diligence obligations, the Group has set up a whistleblowing facility whereby the Ethics Officer of the business segment concerned can be contacted via a dedicated platform. It is accessible to all and guarantees both the anonymity of

the whistleblower and also of the persons implicated by the alert, as well as the confidentiality of all related information.

The platform is available at: <https://alertegroupe.bouygues.com>

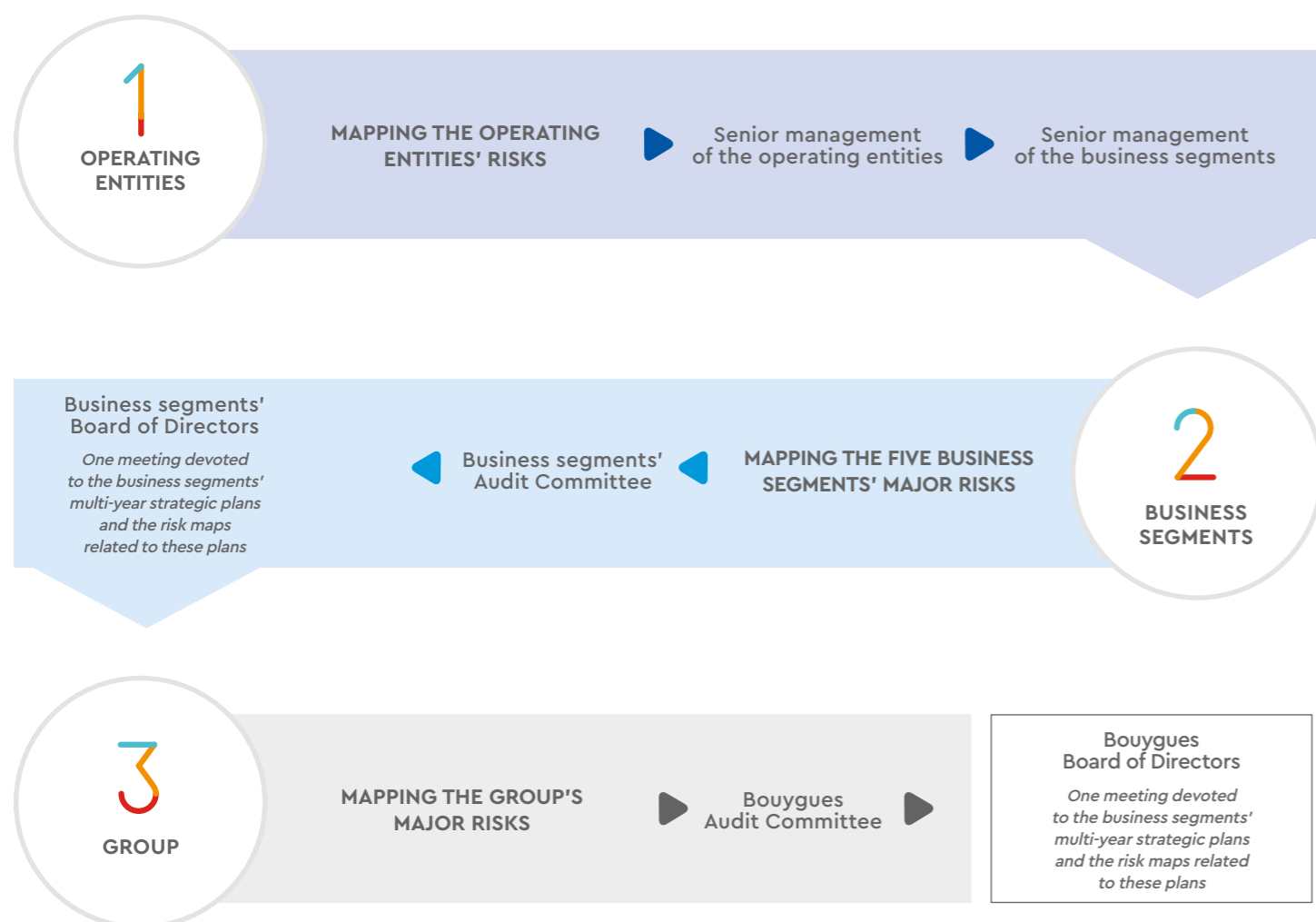
 **FIND OUT MORE**
> Bouygues' 2019 Universal Registration Document, Chapter 3

MANAGING THE RISKS INHERENT TO THE GROUP'S BUSINESS ACTIVITIES

Risk management is based on the principles which guide employees, namely: prudent thinking, application of experience, pre-emptive action and long-term vision, transparency and collegial decision-making.

Risk management procedure

Each year, the major risks – from strategic and operational to financial, legal, IT and ethical risks – are identified and assessed at the operating entity, business segment and Group levels. Action plans are drafted and monitored to improve control over these risks.



This procedure, which follows an annual cycle, involves a large number of operational and support employees who work to supply regular, transparent information to governance bodies and share expertise between generations.

Major risks identified^a

THEME	EXAMPLES OF ACTIONS IMPLEMENTED
OPERATIONAL RISKS <p>Major construction projects These can incur significant risks:</p> <ul style="list-style-type: none"> in the design phase: design flaws, under-budgeting, poor assessment of the local environment, etc. in the execution phase: counterparty business failures, difficulty in recruiting human resources, construction defects leading to cost overruns, quality problems or failure to meet deadlines <p>Cybersecurity and business continuity Cyberattacks and attempts to hack into networks and information systems may result in:</p> <ul style="list-style-type: none"> critical operating systems becoming unavailable, or sensitive data being stolen <p>Acquisitions and diversifications Acquisitions entail risks, for example valuing target companies, assessing their development potential and taking regulatory requirements into account. The integration stage can also be difficult. Acquired companies performing below expectations can in some cases produce impairment charges.</p> <p>Disintermediation New digital players have emerged in the markets in which the Group operates:</p> <ul style="list-style-type: none"> Property and construction: digital platform operators are offering innovative ways of selling directly or managing processes Media and Telecoms: companies offering new content and responding to profound changes in consumer habits <p>Markets Construction: economic conditions as well as administrative and tax changes may produce a downturn in the property market.</p> <ul style="list-style-type: none"> Television: rapid changes in viewer expectations may undermine previous choices about programme acquisitions Telecoms: the French market remains highly competitive, marked by significant promotional activity 	<ul style="list-style-type: none"> Specific process for approving and managing major projects, with findings shared with senior management Mechanisms for securing systems and data, for supervision and for incident management Management of access rights Raising employee awareness, audits, cyber-risk insurance, web surveillance Investment committees set up Definition and monitoring of risks associated with planned transactions Systematic review process More products and services harnessing digital technology, e.g. the Dijon smart city TF1 is branching out into production (Newen, etc.) and digital content (Project Salto, aufeminin.com, etc.) Open innovation Business line diversification Geographical diversification Innovation in products and services, maintaining the edge over competitors Cautious management of the land bank
EXTRA-FINANCIAL RISKS <p>Compliance and ethics The Group's business activities are diversified, decentralised and present in many different countries. Consequently, Bouygues maintains a very high level of vigilance to prevent and detect unethical behaviour, such as fraud, failure to comply with competition law and corruption.</p> <p>Climate risk Climate risk is considered from two angles:</p> <ol style="list-style-type: none"> The impact of climate change on the Group's operations The consequences of the Group being 'part of the problem' 	<ul style="list-style-type: none"> Clear rules are disseminated, for example through the Group Code of Ethics, compliance programmes and the Internal Control Reference Manual Visible commitment from executives, employee awareness programmes, regular training of populations most at risk Adapted products and services, promoting sustainable construction and bioclimatic design Helping customers become more energy efficient and using low-carbon construction methods Promoting timber construction

(a) Other major events such as the worldwide Covid-19 pandemic may occur and have an impact on business activity.

FIND OUT MORE
> Bouygues' 2019 Universal Registration Document, Chapter 4

About this Integrated Report

This is the third Integrated Report published by Bouygues. It has been written with all our investors, employee shareholders, staff members and other stakeholders in mind.

This Integrated Report describes the Group's environment and presents its strategic fundamentals and pledges, as well as a portrait of its expertise, thereby showing how it creates long-term value for its stakeholders.

(a) International Integrated Reporting Council.

It has been designed to be informative so that the reader may obtain a comprehensive picture of the Group and the challenges it faces. It therefore completes the range of publications produced by Bouygues, by providing access to more detailed content and regulatory information. The report draws inspiration from the benchmark framework proposed by IIRC. It is the result of collaboration between the

Group's senior management and departments at the parent company and in each of the five business segments.

Readers are invited to send their questions and feedback to:



rapport.integre@bouygues.com

Overview of publications



UNIVERSAL REGISTRATION DOCUMENT

Business, financial, accounting, legal, human resources, environmental and social information for the previous year. Filed with the AMF (the French securities regulator) every year.



AT A GLANCE

A summary of the year (highlights, key indicators) supplemented with corporate information on the Group. Available in six different languages via the Bouygues app for tablets (iOS, android).



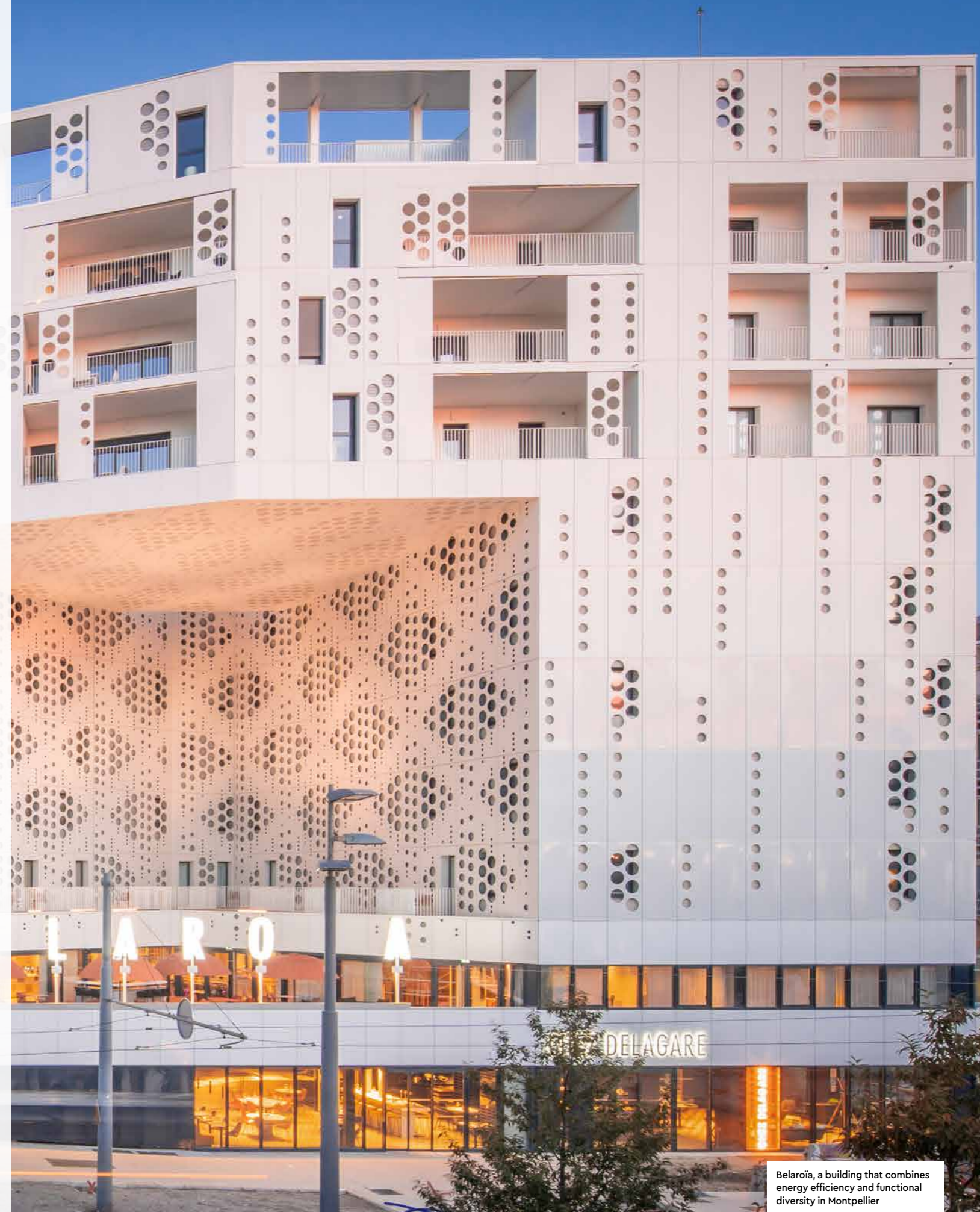
INVESTOR PRESENTATIONS

Presentation of the Group's results, strategies and outlook.



BOUYGUES.COM & SOCIAL NETWORKS

All the news, information, publications and job offers of the Bouygues group.



Belaröa, a building that combines energy efficiency and functional diversity in Montpellier

BOUYGUES GROUP

32 avenue Hoche

F-75378 Paris cedex 08

Tel.: +33 (0)1 44 20 10 00

bouygues.com

Twitter: @GroupeBouygues



BOUYGUES CONSTRUCTION

Challenger

1 avenue Eugène Freyssinet – Guyancourt

F-78061 Saint-Quentin-en-Yvelines cedex

Tel.: +33 (0)1 30 60 33 00

bouygues-construction.com

Twitter: @Bouygues_C

BOUYGUES IMMOBILIER

3 boulevard Gallieni

F-92445 Issy-les-Moulineaux cedex

Tel.: +33 (0)1 55 38 25 25

bouygues-immobilier-corporate.com

Twitter: @Bouygues_Immo

COLAS

1 rue du Colonel Pierre Avia

F-75015 Paris

Tel.: +33 (0)1 47 61 75 00

colas.com

Twitter: @GroupeColas

TF1

1 quai du Point du jour

F-92656 Boulogne-Billancourt cedex

Tel.: +33 (0)1 41 41 12 34

groupe-tf1.fr

Twitter: @GroupeTF1

BOUYGUES TELECOM

37-39 rue Boissière

F-75116 Paris

Tel.: +33 (0)1 39 26 60 33

corporate.bouyguetelecom.fr

Twitter: @bouyguetelecom

Shareholders and investors

Karine Adam Gruson

Investor Relations Director

Tel.: +33 (0)1 44 20 10 79

investors@bouygues.com

Registered share service

Gaëlle Pinçon – Marie-Caroline Thabuy

Tel.: +33 (0)1 44 20 10 61/11 07

servicetitres.actionnaires@bouygues.com

Group Corporate Communications department

Tel.: +33 (0)1 44 20 12 01

(Press office)

presse@bouygues.com



23 April 2020 • Bouygues group • Translation: Michael Dever and Bouygues group Translation department • Design and production: TERRE DE SIENNE • Printed by: DEJA LINK (Seine-Saint-Denis), a PEFC™ and FSC® certified printer • Accessible digital version: Ipedis.

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Making progress become reality

