

provision for a structure overseeing and managing investments in start-ups, equipped with a fixed annual budget.

These structures will be coordinated by Bouygues Développement, which is hosted by the parent company. It will be responsible for selecting start-ups in search of seed money and providing innovation in connection with the operational topics identified by the business segments.

In 2015, Bouygues Immobilier founded Bird (Bouygues Immobilier R&D), a subsidiary investing in start-ups focused on the property development sector. TF1 and Paris&Co launched an incubator for media start-ups innovating in products and services. As part of its innovation drive, which comprises 126 partnerships (with companies, universities, start-ups and NGOs), Bouygues Construction founded Construction Venture in 2015, which is a fund that will invest in at least three start-ups per year, supporting them for a period of five years, most notably through mentoring. To breathe life into this scheme in house, Bouygues Construction held its first "Start-up Minute" in 2015, during which ten start-ups were able to

showcase their project and innovative ideas in the form of minute-long presentations to group employees. Furthermore, an internal hub was set up to capitalise on contacts forged with start-ups.

Bouygues Immobilier, through its Lyon regional office, today partners with Tuba, a project run by the Lyon Urban Data public-private consortium. Its aim is to support start-ups specialising in urban services, which specifically generate and re-use data for improving quality of life in the city of the future.

For the fifth year running, Bouygues Telecom organised the Bouygues Telecom award for the best Woman Digital Entrepreneur, which provides funding to tech start-ups founded by women.

### Bouygues Telecom has supported Open Innovation since 2010

Bouygues Telecom's incubator, Bouygues Telecom Initiatives (BTI), founded in 2009, has reviewed 900 projects, conducted 28 co-development projects between a sponsoring operational division within Bouygues Telecom and a fledgling tech start-up, acquired nine equity stakes (with four of these companies conducting two or more successive funding rounds) and created and coordinated a network of several dozen partner incubators and investment funds.

In particular, Bouygues Telecom Initiatives has supported Studyka (through a 15% equity interest), which innovates in the sphere of crowdsourcing. During the co-development phase of the Bbox Sensation gateway, launched by Bouygues Telecom in June 2012, Studyka used its web-based collaborative-project platform to design and model innovative services for this device. BTI runs its own blog ([www.btinitiatives.fr](http://www.btinitiatives.fr)) and is active on social media (LinkedIn, Facebook and Twitter).

## 3.4.4 Responsible practices

### 3.4.4.1 Initiatives in place to guard against corruption

At the suggestion of its Ethics, CSR and Patronage committee, the Bouygues Board of Directors approved an Anti-Corruption Compliance Programme at its meeting on 21 January 2014. This document, prefaced by Martin Bouygues, clearly states the Group's zero-tolerance stance on corruption and its position as to the duty of understanding and care that everyone must exercise, along with the resulting responsibilities – especially for executives. This supplements the Code of Ethics, issued in 2006, which states that all operations within the Group, especially the negotiation and performance of contracts, must under no circumstances give rise to acts of corruption or influence peddling or related offences, irrespective of whether operations take place in the private or public sector. It sets forth the Group's stance along with associated duties and responsibilities.

The Compliance Programme summarises the appropriate legislation in force and devotes specific sections to Group rules and recommendations applicable to various practices that are prone to a risk of corruption, namely

gifts and services, financing of political parties, patronage, sponsorship, use of business intermediaries and lobbying. Lastly, it lays down the measures with regard to information, training and prevention, along with monitoring and sanctions that must be taken within each business segment, on the initiative of the CEO of a given business segment.

#### Prevention

The Group's Anti-Corruption Compliance Programme specifies that all senior executives who have operational responsibility for a Group entity (subsidiary, branch, division, etc.) must implement appropriate corruption prevention measures. They will be supported in this by the compliance officer and the ethics committee of the business segment.

Summarily, the following preventive measures are provided for by the Compliance Programme:

- implementation by legal departments of training and preventive actions in the area of best business practices, expertise in anti-corruption law, selection of specialist lawyers;

- implementation by finance and accounting departments of financial principles mitigating the Group's exposure to risk, particularly by preventing the use of payment systems for fraudulent or corrupt purposes;
- a clear statement – when delegating authority to employees in charge of an entity, a department or a project, or who are authorised to make financial commitments or who work in a sales or purchasing department – of rules forbidding corrupt behaviour of all kinds; insertion of same clauses by subsidiaries into the employment contracts of persons concerned and/or into the company's rules of procedure;
- review by each business segment of compliance of operations with applicable legislation and the Compliance Programme when launching and completing all major projects or when launching a new business activity;
- the requirement, when a company is being acquired, to pay special attention to the target company's compliance with anti-corruption regulation and, unless otherwise specifically justified, obtain specific warranties from the vendor;
- as part of the annual risk mapping process within each Group subsidiary, analysis of the corruption risks inherent in the business segment's activities.

The Compliance Programme states that senior executives or employees who are aware of a practice that might be considered as corrupt should inform their hierarchy and legal department immediately. It further states that senior executives and employees may also use the whistleblowing facility within each business segment to report corrupt practices.

## Training

The Group Anti-Corruption Compliance Programme states that senior executives and employees involved in obtaining and negotiating contracts or purchases for their company must be aware of and understand the broad outlines of the anti-corruption laws and the risks involved in their breach. It specifies that, within one year of their appointment, employees who are given responsibility for a subsidiary or equivalent entity, a sales function, or an assignment within a purchasing department are required to attend an anti-corruption training course run by or validated by the compliance officer of the relevant business segment. The compliance officer will determine the most appropriate training method and make sure that these employees are given regular refresher courses to keep their knowledge and assessment of the risks up to date.

More generally, the Anti-Corruption Compliance Programme requires that each Group entity includes an anti-corruption compliance component in their training modules tailored to the various employee categories concerned. It requires that all business segments must, in line with their training policy, introduce a simple, brief, general training module, accessible at all times through e-learning. Employees should be urged to consult this e-learning programme regularly.

Each subsidiary also organises training courses tailored to the different levels of management. They transmit the Group's ethical principles and values in practical ways, addressing the specific issues and risks associated with the subsidiary's business.

At Bouygues Construction, for example, given the need to make the whole spectrum of management aware of these very important issues, all existing

training programmes for sales staff and future managers incorporate an ethics and compliance module. Following on from initiatives undertaken since 2011, the special ethics and compliance training plan has been implemented within each Bouygues Construction entity through training modules targeting specific categories of employees. In addition, an ethics component has been added to training programmes for young and experienced managers viewed as high potential, as well as to the legal training taken by buyers that have been in their posts for less than a year. Altogether, there are more than 50 training modules relating to business ethics and compliance.

In order to give a more coherent message and improve performance in this area, a single and common set of communications materials will be disseminated to all entities in 2016, although there will be the option of adapting them to different audiences (France, international activities, high potential employees, etc.).

In 2015, based on the sessions that took place in France, 43% of managers, and 29% of employees in works activities, 31% in purchasing and 53% in marketing were trained in business ethics.

In order to expand and improve training performance, a specific e-learning module called Fair Deal was launched in December 2015 for 30,000 employees in France and abroad. The Fair Deal programme is rolled out in four different languages. Employees are shown real-life situations whose themes are corruption, anti-competitive practices, gifts and invitations, as well as patronage and corporate sponsoring actions. Since December 2015, 164 employees have received training. The roll-out will continue by waves of 500 employees every two weeks throughout 2016.

Business at **Colas** is highly decentralised and a large number of staff members are in a position to enter into contracts, particularly with public-sector customers. Training modules, refresher courses and controls are implemented on a regular basis, according to programmes that aim to cover all of the subsidiaries. The main actions carried out relate to:

- training seminars organised by the legal department in the framework of a multi-annual plan that aims to cover all of Colas. In 2015, several training days were held, in various Colas entities in France and abroad, on business ethics and the criminal responsibility of managers. Regular refreshers on this subject are provided at all subsidiary meetings;
- development of a new code of conduct at subsidiaries in the US, introduced to each subsidiary through communication and training;
- the training programme offered by the legal department at Colas, which in 2015 included seminars for subsidiaries located in Djibouti, Morocco, Mauritius, Madagascar, the UK, Switzerland, Belgium and Hungary, and for Colas Rail.

At Bouygues Immobilier, a training module on "Business Ethics and Fighting Anti-Competitive Practices in Property Development" has been dispensed since 2011.

At TF1, arrangements are in place – in the form of special training and awareness-building exercises – to support managers in fully understanding and applying these programmes, as well as with raising awareness within their teams.

Bouygues Telecom's approach to business ethics aims to help employees navigate through the issues inherent in its operations – in particular, corruption – through the code of conduct, a business ethics guide and an e-learning module, accessible to employees through a special intranet section on business ethics. At the same time, since 2014, Bouygues Telecom has issued reminders on the behaviour expected in fighting corruption in delegations or assignments of duties, contracts, due diligence in relation to acquisitions and its purchasing terms and conditions.

For many years, senior managers have been given training in ethics and the Bouygues group's values, dispensed by the Bouygues Management Institute (IMB). Resources and training courses include an international cycle and seminars on "Respect and Performance", "Corporate, Social and Environmental Responsibility", the "Development of Bouygues Values" and, more recently, seminars on "Responsibility within Organisations" and "Respect and Management". More than 700 senior executives have attended training courses since the Bouygues Management Institute was set up in 2002.

## Control

The fight against corruption is treated as a specific topic in the Group **Internal Control Reference Manual**. The Compliance Programme specifies that a business segment may add specific provisions to this manual where necessary to make the Compliance Programme more effective. Its effectiveness is monitored annually by means of a self-assessment of the internal control principles implemented in the business segments and their subsidiaries. Should the self-assessment reveal deficiencies in the implementation of the Compliance Programme, an action plan will be drawn up and implemented promptly.

Furthermore, the Compliance Programme indicates that, during their regular or specific **internal audit assignments**, the audit departments, assisted by the compliance officers and, if necessary, external lawyers or other service providers, should periodically make sure that the Group's operations comply with the principles of the Compliance Programme and the Group's and business segment's Internal Control Reference Manual. Everyone is required to cooperate with the internal audit departments. It is specified that the conclusions of the internal audit report will be sent to the business segment's ethics committee. They will also be taken into account where necessary to strengthen the Compliance Programme and any other mechanisms implemented to ensure that it is duly and properly implemented.

### 3.4.4.2 Accessibility of offers and services

The Bouygues group's objective is to make its products and services accessible to the greatest number of people possible. Its media and telecoms activities also focus on the accessibility of their services and digital technology.

One of the founding values underpinning Bouygues Telecom's market positioning is to make the benefits of digital technology accessible to as many people as possible. This commitment is conveyed by the practising of "affordable" prices, though not at the expense of service quality. An example is its Bbox triple-player offers, which Bouygues Telecom sells

at the best price on the market. Bouygues Telecom also offers solutions enabling people to keep pace with technological progress and own a smartphone, e.g. through flexible payment options and the purchasing of pre-owned handsets.

To help expand telecommunications network accessibility, Bouygues Telecom participates in shared coverage schemes with other operators. The Crozon project, whereby Bouygues Telecom shares some of its base stations with another operator, contributes to reducing the digital divide. Under the terms of this project, the operator provides 2G coverage in "blind spot"<sup>a</sup> municipalities, is rolling out high-speed mobile internet (3G), is negotiating sharing arrangements in order to extend coverage, and is rolling out very-high-speed mobile internet (4G) to less dense areas<sup>b</sup>.

Furthermore, since 2005, the company has been working hard to help disabled people access electronic communications services. One way has been making customer services accessible to people with total or partial hearing loss. Another is the offer of free installation of software for customers with impaired vision.

TF1 ensures that its programmes are accessible, especially to people with impaired hearing (subtitling or sign language) or vision (audio description).

### 3.4.4.3 Security of personal data

The protection of personal data<sup>c</sup> has become an ever-pressing CSR issue for the Group's media and telecoms operations since 2013.

The websites and applications of e-TF1 comply with the entire range of legal provisions, consultable by visiting the website of the French Data Protection Authority (<http://www.cnil.fr>). The privacy policy governing consumers' personal data can be consulted on the TF1 website and must be agreed to when registering for services. Concerning recommendations relative to cookies and other tracking files covered by Article 32-II of the law of 6 January 1978 (according to the specific resolution on cookies, 2013-378 of 5 December 2013), TF1 regularly checks – chiefly through cookie audits – those files placed during visits to electronic communication services published by e-TF1 (standard and mobile websites, applications) to ensure that they are lawful.

TF1 has made all business partners aware of the liability regime established by the CNIL under Article 3 of the specific resolution as agents placing and reading cookies. Likewise, the group makes it clear in contracts signed with technological, publishing and advertising partners that regulations on the protection of web-user data must be respected.

To guarantee data security on websites and in applications, the TF1 furthermore operates an official policy governing the processing and securing of collected personal data, in compliance with legislation. It is regularly checked and audited.

Bouygues Telecom has devoted part of its code of conduct to privacy and informational issues, according to which Bouygues Telecom undertakes to:

- abide by the principles and rules on data protection, including the use of enabling and personalised access control systems;

(a) *Blind spots are municipalities not covered by any operator with 2G technology.*

(b) *Less Dense Areas refer to intermediate municipalities, between Very Dense Areas (the 32 biggest urban areas of more than 200,000 inhabitants) and blind spots.*

(c) *"Personal data means any information relating to a natural person who is or can be identified, directly or indirectly, by reference to an identification number or to one or more factors specific to them." Article 2 of French Data Protection law 78-17 of 6 January 1978.*

- implement the necessary means to ensure that data protection, data storage, and the treatment and exchange of data complies with its security policy, in particular the General Policy on Data Security.

Consequently, accessibility of customer data must be limited in terms of nature and usage to those persons expressly empowered for the purpose of their jobs. All customer data exchanged externally is encrypted. Furthermore, Bouygues Telecom secures personal customer data by

ensuring that data is only processed for its intended purpose, within the meaning of the 1978 law on the protection of personal data. It uses contract terms to ensure that this commitment is also respected by service providers and business partners to which personal customer data may be transmitted.

Bouygues Telecom's website offers factsheets that advise customers on how to protect their personal data from hackers.

## 3.4.5 Product quality, safety and comfort

At the Bouygues group, respect for customers and users is a core value common to all its activities. This mindset is especially prominent in the commitments that it upholds for protecting the health and safety of users, as well as the requirement that it imposes on the quality and user comfort of its products.

### 3.4.5.1 Protecting consumer health and safety

#### Air quality and chemical risks within buildings

Bouygues Construction and Bouygues Immobilier have been working for several years to improve the air quality of their buildings. They have begun measuring this and are striving to improve it through the use of suitable materials and more efficient ventilation systems that can be regulated in real time using sensors.

Bouygues Construction has conducted several campaigns and is designing solutions to lower the levels of primary pollutants. Additionally, the Polygreen® database encourages buyers to procure goods that have no negative impact on end-users' health. For example, this has led to the use of eco-labelled paints on worksites, and implementation by Bouygues Bâtiment Ile-de-France – Habitat Social of air-quality surveillance as soon it started working on a nursery building (i.e. from the time the worksite is started until end-users occupied the premises). In 2011, Habitat Social launched the "Habitat & Santé" offer, which systematically includes a description of indoor air quality.

Bouygues Construction also leads a think-tank focusing on personal health.

Bouygues Immobilier works to improve the air quality of its buildings, harnessing the work of OQAI (a think-tank investigating indoor air quality) and the Grenelle environment summit. It has also teamed up with specialists to design "Inspir", a scheme promoting indoor air quality. This project, which has the backing of Ademe (the French environment and energy management agency), aims to design a comprehensive and economically viable methodology for measuring indoor air quality, from the design stage until when buildings are up and running, such that this becomes a distinct selling point. Besides materials and ventilation, the place of users in technical procedures, health impacts and acceptability of measures are considerations that will also be researched. Bouygues Immobilier is the lead firm on the project, which brings together seven other partners with complementary IAQ<sup>a</sup> expertise:

Azimuth Monitoring, BESCIB, CIAT, Gecina, Greenaffair, Medieco and Saint-Gobain.

Within laboratories at Colas, research is being carried out to optimise eco-friendly binders by applying the principles of "green chemistry", notably by introducing bio-sourced components, reducing temperatures and limiting greenhouse gas emissions.

#### Electromagnetic fields

Bouygues Telecom contributes through the additional flat-rate tax on network operators (IFER)<sup>b</sup> to the financing of electromagnetic-field measurement by companies certified by the French Accreditation Committee (Cofrac) – pursuant to new government rules on electromagnetic-field measurement, in force since January 2014. Findings can be consulted by visiting [www.cartoradio.fr](http://www.cartoradio.fr).

Furthermore, in order to inform its existing and potential customers, Bouygues Telecom continued to distribute the French Telecoms Federation's information leaflet, entitled *Mon mobile et ma santé* (My mobile phone and my health). It has expanded the range of advice given in stores, on websites and in brochures, particularly regarding the specific absorption rates (SAR) of handsets and regarding recommendations promoting the use of the hands-free kits that come with the phones. Lastly, a series of tutorials on issues relating to radio waves and the impacts on health of mobile handsets and base stations have been posted on social media. The "Waves and health" page on Bouygues Telecom's corporate website is devoted to this topic.

Systematic checks are carried out on the phones sold by Bouygues Telecom and have been stepped up on own-branded products. It continued its own scientific research on exposure to radiofrequencies, which supplements government-led funding programmes, to which the company also contributes.

#### Road safety

Colas carries out R&D in several areas to meet road safety challenges, focusing on:

- producing a range of high-performance surfacing that provides better tyre grip (textured and/or draining products to limit skidding in rainy weather);
- improving visibility (work on road markings in cold or wet weather and at night);

(a) Indoor air quality

(b) Flat-rate tax on network businesses (IFER)

- manufacturing road safety equipment (by Aximum, its safety and signalling subsidiary).

### 3.4.5.2 Product usage quality

Quality and user comfort is a distinguishing feature in the products and services marketed by the Bouygues group.

For example, the eco-neighbourhoods built by Bouygues Construction and developed by Bouygues Immobilier represent a huge stride forward in improving residents' quality of life, via the provision of convenience services, soft mobility, digital services, urban biodiversity, etc.

For the structures that it builds, **Bouygues Construction** gives comprehensive advance consideration to their usage, employing user surveys to gauge the effectiveness of its products and services. This policy of usage-driven innovation, launched in 2014, aims to centralise and share

feedback on its structures and offers, in reference to competitors' offers, to ascertain their degree of suitability. Investigations are expanded to include analysis of technical considerations (such as energy efficiency and new technologies), urban services and architectural details. Subsequently, the next goal is to involve end-users at the beginning of the innovation process, through brainstorming and concept-testing sessions, for example.

An initial review was conducted by **Bouygues Immobilier** on the Fort d'Issy eco-neighbourhood in Issy-les-Moulineaux, near Paris, two years after it began operating. A survey was designed to measure how residents, retailers and inhabitants of Issy-les-Moulineaux perceive the eco-neighbourhood and their satisfaction with it. It revealed that the majority of residents were satisfied with quality of life in Fort d'Issy: 95% of residents stated that they were proud to live there, 70% that they have saved on their energy bills, 57% that they have changed their travel habits thanks to the proximity of shops, services and public amenities.

#### Bouygues Immobilier is creating innovative collaborative work spaces to promote a "new approach to working"

Bouygues Immobilier has developed a network of high-quality third places, under the Nextdoor brand, offering private and shared offices.

This innovative offering reflects the shift towards more flexible working methods while ensuring a pleasant working environment, thanks to coworking spaces, a concierge service, gardens and events promoting interaction between different companies.

The first such work space opened its doors in 2015, in Issy-les-Moulineaux, just south of Paris. Plans are to open more Nextdoor work spaces nationwide so that the network comprises 20 locations by 2020. By fleshing out its network, Nextdoor office spaces will become a useful way of reducing emissions from commuting and business-related travel in the areas where they are located.

As part of its transformation plan, Bouygues Telecom began simplifying its offers and customer purchasing experience. The number of offers has

been reduced from 1,300 to 40, and customer support is available through several different channels, encompassing the web, stores and a hotline.

#### Diversity within TF1's programming

Fighting stereotypes and broadly representing diversity in society in its broadcasts represent a firm commitment of TF1's diversity policy. The awarding of the "Diversité" equal-treatment label in 2010 provided an opportunity for motivating and training employees on diversity. As a result, all those responsible for programme production, including heads of programme units, followed a dedicated training module for the recognition of diversity in all its forms.

To increase overall representation of every kind of diversity in its programmes, awareness of the issue is raised with outside producers with whom TF1 works. For example, for the TV show *The Voice Kids*, Shine Production ran casting sessions nationwide, which included France's overseas territories and departments. It even ran a session in Mauritius.

In 2015, TF1 signed the LGBT (Lesbian, Gays, Bisexual and Transgender) "Charter of Commitment" developed by L'Autre Cercle.

Additionally, the Group's media and telecoms activities endeavour to shield younger viewers from the risks arising from television and the web.

At TF1, for the past ten years, a psychologist systematically views series for teenagers bought or co-produced by the channel, working closely with the creative team. This person can suggest edits and may even qualify episodes as not apt for broadcasting, if these images are deemed inappropriate for younger viewers. These recommendations are always

followed. TF1 also pays particular attention to safe browsing by users on its TFou.fr website for children, by moderating content, protecting children's personal data and taking other measures besides.

**Bouygues Telecom** has adopted a proactive stance to guarantee the protection of children and teenagers from inappropriate online content. A parental-control solution for mobile, PCs and TVs is available free of charge.