

AGM OF 23 APRIL 2020

ANSWERS TO WRITTEN QUESTIONS

1. Written question from FIR (*Forum pour l'Investissement Responsable*)

The FIR submitted the following written questions by e-mail on 31 March 2020:

ENVIRONMENTAL ISSUES

Question 1

“Can you give a list of your activities that are incompatible with the Paris Agreement (i.e. a climate scenario that involves keeping the increase in global temperature to well below 2°C and pursuing efforts to limit the increase to 1.5°C)? What actions are you taking to disengage from those activities in 2020?”

Question 2

“How do your capex and development plans align with a climate scenario compatible with the Paris Agreement?”

Answer

At Bouygues, our five business segments are essentially indirect emitters of greenhouse gases.

We have two priorities to enable us to align with the objectives of the Paris Agreement:

- extending our portfolio of low-carbon solutions for customers;
- reducing the carbon footprint of our activities.

To meet the climate challenge, we have spent over ten years developing solutions and construction methods to reduce the carbon footprint of the structures we build for our customers. Those solutions include (for example): reducing the grey energy from input materials (in particular, replacing cement with eco-friendly materials); active and passive energy efficiency; eco-design; built-in renewable energy production; and solar farms.

At the end of 2020 we will unveil our Climate Strategy, in which we will set an objective to reduce our greenhouse gas emissions by 2030 in line with the Paris Agreement, and give details of related action plans for each of our business segments.

Question 3

“How do you analyse the impact of your activities on worldwide and local ecosystems (for example, biodiversity)? What are your five main impacts (positive and negative) on those ecosystems?”

Answer

We regularly carry out formal materiality assessments with our stakeholders, based on which our key challenges are:

- Business ethics and respect for human rights;
- the climate;
- the quality of the customer and user experience;
- the health and safety of our employees, and of all those working on our sites;
- management of natural resources, which includes biodiversity.

Each of our business segments is developing specific programmes to maximise positive impacts and mitigate negative impacts, such as:

- climate strategies (2020);
- measures to support the circular economy, especially at Colas;
- actions to support biodiversity (such as preventing the loss of greenfield sites and obtaining “BiodiverCity” accreditation);
- ethical training;
- rollout of ISO-certified Quality, Safety and Environment management systems.

For more information, please consult the Bouygues group Integrated Report, available at bouygues.com

SOCIAL ISSUES

Question 4

“The coronavirus crisis will severely weaken the economy, especially small and micro-businesses. Does your Group intend to adjust its supplier payment terms, and if so how and where?”

Answer

We are particularly keen to support our small and micro-business partners through this unprecedented crisis.

For example, at the start of April Bouygues Telecom committed to easing the cash flow problems for its small/micro-business partners over the next two months by paying their invoices immediately rather than waiting until the end of the statutory payment period. This gesture of solidarity could reach €100 million.

Bouygues Telecom is one of the ten companies singled out by the crisis committee of the French Ministry of the Economy for adopting good practices on supplier payment terms.

More generally speaking, each of our business segments is looking at payment terms on a case by case basis to take account of difficulties experienced by its suppliers, partners and subcontractors.

Question 5

“How is your company preparing its employees for the 21st-century transitions that will radically affect your industry?”

Answer

Within each of our business segments, specialist teams (strategy, CSR and innovation) and working groups are devoting time to these issues, and making proposals to business segment and Group management. 2020 marks a turning point in the development of our climate strategy.

In parallel, all our business segments are developing staff training modules relating to 21st-century transitions, especially the major underlying trends (detailed in our Integrated Report) that we cannot avoid. These include modules on issues such as digital transformation, sustainable construction, the contributive company and business ethics.

Question 6

“Do you have a definition of a ‘living wage’ that goes beyond the local statutory minimum wage? If so, what is it? How does your company ensure that its employees receive a living wage, especially in the main countries where you operate?”

Answer

At Bouygues we have always recognised that the people are our greatest resource, and we seek to attract the best talent everywhere we operate. So we have developed remuneration policies that we apply individually based on merit.

Because we operate in so many countries worldwide, we make sure that our employment practices comply with local labour laws by having Human Resources managers in post within our entities. As regards wage levels, that obviously depends very much on local circumstances.

Apart from wages, we have decided to focus our efforts on the employee benefits we provide, and are working on a standard that would guarantee a minimum level of employee benefits worldwide. In particular, our aim for 2020 is that all our employees should have death coverage that would pay out up to 1.5x their salary in the event of death.

Question 7

“Do the formulae used in the voluntary profit-sharing agreements for your French employees take account of environmental and social criteria? If so, how and to what extent?”

Question 8

“What proportion of your employee savings schemes is invested in funds with a socially responsible investment label (CIES, Finansol, Greenfin, ISR)?”

Answer

Most of the agreements at Group and business segment level incorporate criteria relating to the health and safety of our employees. Depending on the outcomes, this criterion either decreases or increases the amount.

Bouygues has set up a fund accredited with the CIES socially responsible investment label: “Amundi Label Equilibre Solidaire ESR-F”. Over 2,000 of our employees have subscribed to this fund under our employee savings schemes.

GOVERNANCE ISSUES

Question 9

“Is the amount of tax paid by country discussed by the full Board of Directors and/or the Audit Committee? Are you thinking of publishing the results?”

Answer

Our tax policy has been presented to our Audit Committee and Board of Directors, and the broad outlines of the policy are posted bouygues.com

We believe that publishing specific information (split of tax paid by country) could give indications about the margin on some of our projects, and consequently that this is confidential information. So we do not intend to publish it.

Question 10

“Are social cohesion issues resulting from gaps in pay discussed at Board meetings, and is there a policy on this?”

Question 11

“Does the Board discuss the policy for ensuring gender parity in terms of pay, careers and access to managerial posts, and the targets to be achieved in this area?”

Answer

Our remuneration policy is reviewed by Senior management, the Selection and Remuneration Committee and the Board of Directors. We pay particular attention to the pay gap, with both the Group and the business segments seeking to ensure that everyone is paid fairly.

We also strive to maintain social cohesion and good labour relations within the Group, and to date the employee representative bodies (Economic and Social Committees) have not raised any problems on such issues.

At the request of the Board, the directors are presented with an update on gender parity in terms of pay and careers at least once a year.

Each of our business segments has set its own objectives in terms of pay and access to managerial posts.

2. Written questions from Mr Alain Balesdent

Mr Alain Balesdent submitted the following questions to the Chairman in an e-mail dated 16 April 2020:

Question 12

“Inter alia, the Annual General Meeting is required to vote on the 2019 results, and on the appropriation of profits for the year. Initially, based on good performances for the last financial year, the Board proposed paying an unchanged dividend, but supplementing it with an exceptional dividend.

2020 results will be affected by the health crisis we are currently experiencing, and this will have an impact on the dividend proposed next year.

Are shareholders therefore being hit by a double blow: deprived of any dividend this year because of the expected impact of Covid-19, and a reduced or zero dividend next year due to the actual impact of Covid-19?

Answer

The Board of Directors decided not to propose a dividend payout at the present Annual General Meeting. Our employees and stakeholders are being expected to make major efforts during this unprecedented crisis, so this is way of showing our solidarity with them and demonstrating that we are a responsible company.

The Board has decided to reassess the situation, and the possibility of paying a dividend, in August 2020.

Question 13

“As our company is not now paying a dividend, why did you not postpone this Annual General Meeting, as you are allowed to by law? In the absence of such an event, does our company have any plans to meet individual shareholders face-to-face before the end of the year?”

Answer

With no visibility on the timing of the exit from the crisis, we felt it best to maintain this interaction with our shareholders during the lockdown period.

In addition, the present Annual General Meeting is voting on the 2019 financial statements, enabling us to focus fully on 2020 going forward.

We are very committed to dialogue with our shareholders, which in this very atypical year could take various forms: an Extraordinary General Meeting if the Board decides to propose a dividend and, subject to the health situation, meetings with our Investor Relations department.

3. Written questions from Mr Samuel Dujean

Mr Samuel Dujean submitted the following questions in an e-mail dated 12 April 2020:

Question 14

“Will the Group be reimbursed by the French government for payments made to all employees on short-time working arrangements?”

Question 15

“How many employees in France were declared as being on short-time working arrangements in March?”

Answer

Within the Bouygues group, relatively few employees were (and continue to be) declared as being on short-time working arrangements (no more than 25% of our French workforce).

In such cases, the government provides compensatory payments that guarantee employees an income equivalent to 84% of their net salary. For March, our business segments decided to top up those payments so that our employees could receive 100% of their salary.

For April, the Bouygues group has prioritised the taking of paid leave by all of its employees. And from 15 April onwards, worksites are very gradually starting to reopen in its construction businesses. Consequently, there will be little use of short-time working arrangements by the Bouygues group in April.

Question 16

“Can you put a figure on the decline in sales caused by the shutdown of business in March and April?”

Answer

In our construction businesses, the impact on 2020 first-quarter sales will correspond to the almost total shutdown of operations in France during the last two weeks of March. As regards April, it is difficult at this stage to put a figure on the decline in sales, but we know already that sales will be very significantly affected in France, and to a lesser extent internationally.

TF1 said at its Annual General Meeting that advertising sales for March 2020 had been significantly impacted, and that the same would apply in April and May.

Finally, there is likely to be a relatively immaterial impact in those months in the telecoms activity.