



## ANNUAL GENERAL MEETING OF 22 APRIL 2021

### RESPONSES TO WRITTEN QUESTIONS SUBMITTED BY SHAREHOLDERS

At a General Meeting of the shareholders, written questions may be submitted to the company on terms specified by law. In accordance with currently applicable legislation, a question is deemed to have been answered when a response has been posted on the company's corporate website.

The Board of Directors received the following written questions by e-mail in connection with the Annual General Meeting of 22 April 2021.

The responses given below were provided by the Chief Executive Officer under delegated authority from the Board of Directors, in accordance with Article L. 225-108 of the Commercial Code.

#### **I. Questions from FIR (Forum pour l'Investissement Responsable)**

##### **ENVIRONMENTAL ISSUES**

**1. How much capex is being incurred between now and 2025 to align on the Paris Agreement? How will this capex be split between maintenance capex and growth capex across the entire value chain? What is the geographical split?**

The Group's business segments are in the process of determining the capital spend needed to implement the key drivers (decarbonisation of internal processes and commercial solutions) presented at our Climate Markets Day on 16 December 2020. We will be in a position to present this financial information at the end of 2021.

**2. How will you limit the impact of biodiversity loss on your future revenues? Can you give details of the indicators you are using?**

Colas and Bouygues Immobilier have formalised their Biodiversity strategies, with associated indicators. At the end of 2021, the Group will be in a position to set out its Global Biodiversity Roadmap, including all the business segments. In addition, Bouygues Construction, Bouygues Immobilier and TF1 are engaged with the Act4Nature initiative.

**3. What are you doing to address the growing scarcity of some natural resources, and difficulties securing supplies of your strategic resources? How does that affect your business models, and what are you doing to secure your supply chains?**

As regards the natural resources used by Colas (the principal user of natural resources by volume within the Group), we are anticipating the growing scarcity of such resources – along with the increasing difficulties opening up new mineral extraction sites for raw materials – by scaling up the proportion of recycled materials used, which was 16% in 2020. For all of our other business segments, we are gradually phasing in eco-design (with our routers, for example) and reuse (of second-hand smartphones, for example).

## **SOCIAL ISSUES**

**4. Solidarity between economic players – between large companies and small companies – appears essential if we are to limit the negative effects of the ongoing crisis. How is your group adapting its procurement and sales practices, both nationally and internationally, to support suppliers and customers affected by the crisis? Do you differentiate the policies applied to small/micro businesses? Has the crisis led you to make structural changes to your policies in this area?**

Our business segments are long-term growth drivers because they serve essential needs for housing, travel, communication, information and entertainment. In the public health crisis we are currently living through, all our business segments have taken steps to ensure continuity in these essential services. Bouygues Telecom is maintaining the quality of its networks, TF1 is providing quality news coverage (and sourcing appropriate programmes, especially during lockdowns), and Bouygues Energies & Services is ensuring that critical sites such as hospitals can continue to run smoothly.

From the onset of the public health crisis, Bouygues encouraged solidarity initiatives, both at business segment level and through the Group's patronage policy. All our business segments mobilised to help people and give support to those involved in healthcare, such as donations of surgical masks and the repurposing of a Colas production line to manufacture hand sanitiser. In addition, the Francis Bouygues Foundation donated €100,000 to two projects led by the Hôpitaux de Paris – Hôpitaux de France Foundation in care homes and hospitals across France.

Our media and telecoms sectors of activity also made gestures of solidarity. TF1 screened pro bono advertising slots to raise awareness about the pandemic, and launched appeals to support good causes. Bouygues Telecom helped ease cash flow issues at its SME partners by paying their invoices immediately in April and May 2020, rather than taking the period of credit required by law.

Finally, compliance with payment terms has been identified as an important objective by all our business segments. We have accelerated paperless billing: the percentage of paperless invoices among the top 200 suppliers of Bouygues Construction rose from 65% to 79% during 2020. At Colas, the rollout of digitised spending approval processes and paperless billing and payments is ongoing.

**5. At group level, how are you managing the social impact on your employees of the massive growth in teleworking since the start of the pandemic? For example, in terms of managing psychosocial risks, help with expenses, employee satisfaction surveys, altered priorities among employees, the proportion of employees working from home?**

It is worth bearing in mind that some areas of our operations (construction projects, maintenance, Bouygues Telecom stores that remain open, etc.), along with some associated support functions, require our employees to be present in the workplace or at the site where the service is delivered, and cannot be carried out remotely.

As regards the exceptional use of teleworking during lockdowns, we observed that a significant number of our employees were keen to maintain social bonding by spending some time working onsite. We enabled them to do this, subject to the restrictions imposed by national public health protocols. Each of the people involved was able to spend at least one day a week working on our premises.

This option for people to come back into work on our premises on a regular basis definitely limited the psychological effects of social isolation.

In addition, each of our business segments is providing employees who are experiencing psychosocial issues with access to a remote psychological support unit, operated by an external service provider in association with occupational health services. And online medical consultations and remote access to a psychologist were very widely implemented under the terms of our healthcare insurance contracts.

**6. Do you have a definition of “decent wages” that is not just limited to the local statutory minimum wage? If so, what is it? How does your company ensure that its employees, and those of its suppliers, receive a decent wage?**

The Bouygues group has always recognised that people are our main asset, and we seek to attract the best talents everywhere. Given the diversity of our activities and the number of countries in which we do business, we develop and implement attractive and tailored remuneration policies specific to each geographical region.

The presence of Human Resources managers within our entities enables us to ensure that we comply with local employment law in our dealings with our employees. As regards the level of wages, that is clearly very dependent on the local context.

Looking beyond wages, the Group has launched BYCare, a programme that sets a minimum standard for minimum employee benefits everywhere in the world. This programme, deployed at all our sites, offers our employees a level of employee benefits that goes beyond local legislation in each country, especially as regards major risks. A common core of employee benefits will be implemented gradually, drawing on best practice in each country.

**7. Are environmental and social criteria built into the formulas specified in voluntary profit-sharing agreements with your employees in France? If so:**

- **What are the criteria? Have they changed since 1 April 2020?**
- **What is the weighting attached to those criteria in the profit-sharing formula? Has it changed in the past year?**
- **What proportion of your employees are concerned by such agreements?**

All the voluntary profit-sharing agreements in place within the Group include a health and safety criterion, failure to attain which could result in a partial or total loss of the profit share. Most of the agreements are for a three-year term, and over 95% of our employees are concerned by such agreements.

**8. In terms of employee savings plans, which of the funds have a “responsible” label (CIES, Finansol, Greenfin, ISR)? For each fund offered, what is the name of the label(s), how big a proportion of employees savings are invested in it, and to what proportion of your employees is it offered? And what proportion of your employees, in France or abroad, have access to other types of savings products as an employee benefit, in particular as a retirement benefit? What proportion of assets invested in those savings products is managed in a socially responsible manner, and has a quality label? If so, which?**

The fund we offer, under both the Group savings plan (“PEG”) and the collective retirement scheme (“PERCOL”) is “Amundi Label Equilibre Solidaire ESR F”.

We also offer our employees the opportunity to invest some or all of their voluntary and statutory profit-share entitlement in that fund.

For the PEG, the Equilibre Solidaire label had assets under management at 31 December 2020 of €4.7 million.

For the PERCOL, the Equilibre Solidaire label had assets under management at end-December 2020 of €2.9 million.

## **GOVERNANCE ISSUES**

**9. Do you apply the GRI 207 standard to your public tax disclosures?**

**If so, do those disclosures cover all the information indicated in the standard? And if they do not, which information have you chosen not to disclose, and why?**

**If you do not apply the standard, what are the reasons, and do you envisage applying it in the near future (1 or 2 years)?**

**What other measures do you apply (or intend to apply) to address growing demand from your stakeholders for tax transparency?**

We do not apply GRI 207, mainly because we believe that public disclosure of our CBCR would be prejudicial to the Group’s interests, given the lack of reciprocity outside Europe and the fact that it would provide major strategic information to our competitors (contract margin, where we have a single contract in a given country).

However, our tax strategy – which reaffirms that the countries where we pay taxes match the countries where we do business – is published on our corporate website at bouygues.com.

Finally, we disclose in the notes to our consolidated financial statements a reconciliation between the theoretical tax charge and the actual tax charge recognised, and a split of income taxes between France and other countries.

The total amount of social levies and taxes (including corporate income taxes) recognised by the Group in 2020 was €2.8bn, including €2.1bn in France (74% of the total, even though Bouygues generated 59% of its 2020 sales in France). France represented 71% of corporate income taxes paid in 2019, compared with 59% of total sales generated in France.

**10. What scope do you use for the executive pay ratios you publish? What analysis do you perform on trends in those ratios? Has that analysis led you to alter your remuneration policies? If so, how?**

The scope used for the 2020 ratio covers 92% of the Group's French workforce, compared with 80% for the 2019 ratio. Because of substantial changes in the Bouygues group's governance structure, comparisons between the two years are of limited relevance.

**11. As regards the implementation of your Group's gender equality policy, can you tell us:**

- (i) The timetable and quantified objectives (whether attained or targeted) for gender equality policy issues (careers, training, remuneration, work/life balance, etc.) at all levels of responsibility?**
- (ii) Whether this policy is applied in all Group companies, both in France and internationally? If not, why not?**
- (iii) If so, what specific resources are you deploying to promote gender equality in countries where you do business but where it is difficult for the concept of gender equality to gain traction?**

Diversity and gender equality are issues that the Bouygues group has taken seriously and acted upon for many years. The diverse nature of our operations calls for specific objectives for each of our business segments.

Although we have made progress on all the indicators in our most recent action plan (2018-2020), the Bouygues group took the view that the new plan should:

- adopt a worldwide ambition for all indicators;
- pay closer attention to hiring, training and supporting female managers and high-potential women, so that they can reach the top levels of responsibility on the executive committees or management committees of our business segments.

We have chosen four indicators for our 2021-2023 gender balance plan:

- % of women in managerial grade posts in all our entities worldwide;
- % of women in senior manager posts worldwide;
- % of women classed as "top talents" worldwide;
- % of women on executive or management committees worldwide.

Alongside this plan, the Bouygues group is working day-to-day to implement the gender equality policy, by:

- encouraging women to access professional development and internal promotion opportunities through a combination of mentoring, the "IMB Trajectoire" programme for high-potential women, and a process for delivering equal pay;
- using women-only and mixed networks within our business segments to raise employee awareness of gender equality issues and break down stereotypes.

This policy is in place within France, and is being rolled out internationally.

**12. How are your lobbying practices formally documented, and how do they fit in with your CSR strategy? Can you describe the chain of responsibility within Bouygues as regards lobbying and institutional relations? In what circumstances can (or must) such issues be referred to your company's governing body (Board of Directors or Supervisory Board)? What information about your lobbying practices (public offices, allocated budgets, etc.) do you disclose, for each of the global markets where you operate?**

In France, the Bouygues group submits an annual declaration of its lobbying activities and the allocated budget, which is posted on the website of the High Authority for the Transparency of Public Life.

At European level, the Bouygues group's lobbying activities are handled by Bouygues Europe SA, a Brussels-based subsidiary of Bouygues SA responsible for relations with the European institutions. Bouygues Europe is included in the Transparency Register of the European Commission (personnel, budget, strategic issues, etc.), and its employees are officially accredited with the European Parliament. The positions taken by the Group are regularly disclosed to the public (mainly through responses to public consultations), and initiatives on CSR issues are in all cases developed in direct collaboration with the Group's CSR department.

The Bouygues SA Board of Directors is kept regularly informed of the main lobbying activities carried on by the Group.

**13. In practical terms, how do you work with employee representative bodies – at Group level and locally – to engage your business in a fair transition? Do you intend to publish their opinion on your vigilance plan? Do you intend to publish their opinion on your statement on extra-financial performance?**

For the last four years, Bouygues has been organising formal dialogue with its stakeholders so as to identify the most important challenges. A new consultation will be organised in 2021, and employee representative bodies are on the list of eligible stakeholders. At present, we do not intend to publish their opinions in the vigilance plan. However, we will continue to publish the results of the stakeholder attitude survey in the materiality matrix that features in our statement of extra-financial performance and our integrated report.

## **II. Questions from IPAC (Initiative Pour un Actionariat Citoyen)**

**Could you tell us how many people worldwide were made redundant on economic grounds by our Group during 2020?**

**What proportion of those people received less than three months' salary as compensation?**

**What systems do you have in place to check that each of them has found a solution following the termination of their employment contract?**

Worldwide, we negotiated some redundancies during the year in certain countries where we do business. The number of such redundancies is very low, and immaterial at Group level.

## **III. Questions from Alain Balesdent (individual shareholder)**

**1. The voting form for this year's Annual General Meeting is to be sent to CACEIS CT rather than to the Bouygues registered share service (and the same applies to TF1). Does this mean that our company is preparing to outsource its registered share service?**

Given the evolving nature of the public health crisis, Bouygues decided this year to retain a specialist service provider to process voting forms, in order to ensure continuity of processing and safeguard against any event that might prevent our in-house registered share service from functioning properly. Nevertheless, the service is still managing the preparations for our Annual General Meeting.

**2. Does our Group own or rent the head offices of its component companies (Avenue Hoche, Challenger, Bouygues Telecom, Bouygues Immobilier, TF1, Colas)?**

Bouygues owns its head office in Avenue Hoche. As regards the business segments, Bouygues Construction owns Challenger. TF1 owns the TF1 tower, and rents the "Atrium" tower. Bouygues Telecom, Bouygues Immobilier and Colas rent their head office buildings.

**3. The public health crisis changed the way in which the Group's employees work and are organised. Once the crisis is over, which of those changes will end up being permanent? Will the real estate strategy change? Has an evaluation of potential productivity gains at Group level been made?**

It is worth bearing in mind that some areas of our operations (construction projects, maintenance, Bouygues Telecom stores that remain open, etc.), along with some associated support functions, require our employees to be present in the workplace or at the site where the service is delivered, and cannot be carried out remotely. That said, during the public health crisis all of our employees who can are teleworking.

It is clear that this exceptional shift to teleworking during the crisis will have removed some of the obstacles that previously hindered teleworking. However, it also exposed the limitations of teleworking over an entire working week, and showed the importance of the social bonding that comes from employees spending sufficient time at the company's premises. We are very concerned to ensure that our employees do not feel isolated. That's why the various agreements on teleworking or on quality of life in the workplace that have just been renegotiated (and will apply once the public health crisis is over) specified a limit of two days of teleworking per week.

We cannot as of now estimate how many of our employees will opt for teleworking once the public health crisis is over.

In terms of the consequences of teleworking for our real estate strategy and potential productivity gains after the public health crisis, it is still too early to call given that teleworking is an option taken at the employee's discretion, and cannot be imposed by the employer.

**4. Does our Group fear that there will be many unpaid customer debts once the government withdraws its specific business support programme? And in parallel, how is our Group preparing for the recovery plan that has been announced?**

In 2020, we did not experience problems receiving payment from customers in our construction businesses. Bouygues Telecom adjusted its recovery procedures to avoid disconnecting customers with unpaid bills. Given the current context, we remain on high alert.

As regards recovery plans, many announcements have been made since the start of the public health crisis in many of the countries where we do business, including plans for recovery driven by infrastructure, clean energy and energy transition. Europe has announced a €750bn plan, France a €100bn plan, the United States a USD 2,300bn plan, and Canada a CAD 10bn plan. All those announcements point to encouraging prospects for our construction businesses, which have globally renowned expertise – especially in sustainable construction. We are ready to offer our expertise in a wide range of areas (building construction and refurbishment, rail, roads, civil works, and everyday transport). But now, we need these announcements to be translated into action rapidly before we can assess the impact on our operations.

**5. Could the Board in future alter the wording of point 5 of resolution 19 by replacing the word "power" with the word "obligation" in the expression "give the Board of Directors power to grant ... a priority right"?**

In resolution 19, the shareholders are asked to delegate competence to the Board of Directors so that it can, subject to the limits set by that resolution, increase the company's share capital by way of public offerings (other than those mentioned in Article L. 411-2 of the Monetary and Financial Code) without pre-emptive rights for existing shareholders.

In point 5 of that resolution, the shareholders are asked to resolve to ***"cancel the pre-emptive rights of shareholders to securities that may be issued pursuant to this delegation and to give the Board of Directors power to grant shareholders a reducible and/or irreducible priority right to subscribe for the securities, pursuant to Article L. 22-10-51 of the Commercial Code..."***

You are asking that in future, we alter the wording of the resolution, replacing the word "power" with the word "obligation". This means that in your wording, if the Board of Directors wished to make use of the delegation, it would be obliged to grant the company's shareholders a priority right to subscribe to the capital increase. However, such an obligation would be incompatible with the very purpose of the delegation, which is to grant the Board the power to increase the share capital without pre-emptive rights for shareholders.

The wording of point 5 of resolution 19 complies with Article L. 22-10-51 of the Commercial Code, which specifies that “the meeting **may** stipulate that a capital increase which it decides upon or authorises pursuant to Article L. 225-135 must include a priority subscription period for shareholders, the minimum length of which shall be set by decree of the Conseil d’État. It may also delegate to the Board of Directors or Management Board **the power to assess whether it is appropriate** to stipulate such a period and, as the case may be, to set the length of that period on the same terms”.

For all those reasons, we do not intend to alter the wording of point 5 of resolution 19 as you suggest.

**6. If the public health situation permits, does our company intend to have a face-to-face meeting with its individual shareholders before the end of the year?**

The restrictions imposed by the government mean that we are obliged to hold our Annual General Meeting on 22 April 2021 behind closed doors, for the second consecutive year. We regret this, because the Annual General Meeting is a forum for genuine dialogue with our shareholders, and a special moment in the life of our company.

That’s why, if the evolving public health situation permits, we would of course be happy to organise a face-to-face meeting with our shareholders, as we customarily do every year.