



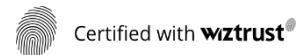
Making progress become reality

## BOUYGUES GROUP CLIMATE STRATEGY: UPDATE AT END-2021

PRESS RELEASE





PARIS

24/02/2022



On 16 December 2020, Bouygues unveiled a new stage in the Group's Climate strategy to stakeholders. Each of its business segments defined a set of **quantifiable objectives** aimed at reducing its greenhouse gas emissions (GHG) **at a pace consistent with the Paris Agreement<sup>a</sup>, and backed up by action plans**. After endorsement of Colas' GHG reduction targets in 2021, the other business segments' are now looking for **the SBTi<sup>b</sup> to endorse** their own decarbonisation targets.

### OUR 2030 GREENHOUSE GAS EMISSIONS REDUCTION TARGETS

BUSINESS SEGMENT	REFERENCE YEAR	SCOPES 1 AND 2 <sup>c</sup>	SCOPE 3A <sup>c</sup>	SCOPE 3B <sup>c</sup>
 Colas	2019	-30%	-30%	n.a.
 Bouygues Construction	2019	-40%	-30%	n.a.
Bouygues Immobilier	2020	-32%	-32%	-32%
 Bouygues Telecom	2020	-50%	-30%	-30%
 TF1	2019	-30%	-30%	n.a.

n.a. = not applicable

In order to successfully implement its climate strategy, the Group has earmarked, within its expenditure for 2022-2024, an estimated **€2.2 billion<sup>d</sup>** that will help reduce its carbon footprint.

In 2021, Bouygues ramped up its decarbonisation actions, in terms of its **products and services** and the **internal operations** of the Group's business segments.

<sup>a</sup> The Paris Agreement aims to strengthen the global response to the threat of climate change by keeping the average global temperature rise well below 2° C above pre-industrial levels and by pursuing efforts to limit the temperature increase to 1.5° C above pre-industrial levels.

<sup>b</sup> Science Based Targets initiative, a joint effort of the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

<sup>c</sup> Scope 1: direct emissions; Scope 2: indirect emissions related to energy consumption; Scope 3: other indirect emissions; Scope 3a other indirect upstream emissions; Scope 3b other indirect downstream emissions.

<sup>d</sup> Estimate by the business segments of the expenditure and investment necessary to achieve the climate targets (different method to that of the taxonomy)



## COMMERCIAL SOLUTIONS TO HELP CUSTOMERS REDUCE THEIR OWN CARBON FOOTPRINTS

In 2021, the Group developed **methods for calculating the level of carbon avoided (scope 3b)** by the products and services of the business segments.

The construction businesses have boosted their range of low-carbon solutions. These relate in particular to **low-carbon construction, energy optimisation for building operation, and the construction of low-carbon energy and soft mobility infrastructure**. The Group's telecoms and media businesses launched sustainable solutions and initiatives.

### LOW-CARBON CONSTRUCTION

2021 saw progress in efforts to **reduce the carbon intensity of products**, such as for concrete and road asphalt mixes, and to **replace** the latter with **bio-based materials**.

- A 10% **increase** in the use of **low-carbon concrete** between 2020 and 2021, which now accounts for over 60% of volumes in the civil works activity and over 25% in the French building activity. As part of the ongoing partnership with **Hoffman Green Cement Technologies** (based on the use of cement produced from alkali-activated blast furnace slag or of calcined clay cement), several trials are underway on various worksites (the widening of the A10 motorway at Orléans, the Pantin music school, the Loiret Departmental archives, the Arena de Paris, etc.) and on a site for the pre-casting of 3D concrete modules. Bouygues Immobilier is also trialling the first low-carbon concrete panels (it has a target of using 30% low-carbon concrete in its projects in France<sup>a</sup> by 2030)
- Colas is **reducing the carbon footprint of its road asphalt mixes** by:
  - Assisting suppliers to develop low-carbon products, particularly hydraulic binders for road building;
  - Pursuing research into the development of bio-based binders like Vegecol<sup>b</sup>;
  - Increasing the number of eco-friendly alternatives (close to 200 projects completed in 2021 vs 92 in 2020);
- **Faster roll-out of timber building techniques**: WeWood - Bouygues Construction's timber construction programme - has completed over 160 projects<sup>c</sup>, 35 of which were booked in 2021. Bouygues Immobilier has handed over close to 100,000 m<sup>2</sup> of timber residential and commercial buildings.
- **Industrialisation of building renovation: BySprong**, the solution for massively scaling up the energy renovation of maintained-occupancy homes, represented 30% **Bouygues Construction's** renovation business in France in 2021.

### OPTIMISING BUILDING OPERATION

Solutions exist to optimise the operation of buildings in order to reduce their carbon emissions. For example by intensifying their use. In 2021, Bouygues Construction and Bouygues Immobilier marketed the following solutions in several of their major projects:

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<sup>a</sup> Excluding subsidiaries.

<sup>b</sup> Vegecol: a low-carbon asphalt mix which is more than 80%-comprised of a plant-based binder.

<sup>c</sup> Timber programmes in existence since 2005.

- “Office Switch Home”, handed over in Lyon’s Confluence district, is the **first reversible building** (offices that can be transformed into housing units);
- “*Bureau généreux*” (the generous office) and “Officity”, which are a new “**Hybrid Positive Economy Building**” concept certified by the Solar Impulse Foundation. “Officity” has already been trialled in urban development projects such as in the “Les Fabriques” district in Marseille.
- Digital platforms developed to **manage the energy and carbon performance of buildings** (SMALT, Aveltys, etc.).

### CONSTRUCTION OF LOW-CARBON ENERGY INFRASTRUCTURE

In 2021, the Group’s construction businesses pursued work on several large-scale low-carbon energy infrastructure projects. For example:

- **Wind:** after the 2-MW Floatgen floating wind turbine project, Bouygues Travaux Publics is taking part in an offshore wind farm project near Fécamp, which has a forecast power output of around 500 MW;
- **Photovoltaic:** Bouygues Energies & Services has connected solar farms in Japan (102MWp) and in Australia (190MWp) to the grid. In France, it has developed around 40 projects totalling 540 MWp. These projects include its entire range of expertise, from solar tracker and agrisolar to floating solar panels, photovoltaic carports and roof-top solar panels.
- **Synchronous condensers** (stabilisers for energy grids): an initial contract has been signed by Kraftanlagen Energies & Services<sup>a</sup> with a German grid operator;
- **Nuclear:** after working on the Olkiluoto (Finland) and Flamanville 3 EPR plants, Bouygues Construction is involved in the construction of the Hinkley Point C nuclear power plant in the UK. This will contain two EPRs with a total capacity of 3.2 GW.

### SOFT MOBILITY SOLUTIONS

In 2021, the construction businesses launched innovative, eco-friendly offers for the building of infrastructure dedicated to soft mobility. For example:

- Bouygues Energies & Services installed 1,600 **electric vehicle charge points (EVCP)** in 2021, bringing the total number to over 10,000 in France;
- Bouygues Energies & Services designs **green hydrogen** production systems and is rolling out the very first stations;
- Colas Rail has developed its patented “**green track**”<sup>b</sup> concept for urban zones. By improving ground permeability, **this concept contributes to climate adaptation measures**, and has already been used on the Angers tram line and on the T3 line in the Paris region.

### SUSTAINABLE SOLUTIONS IN TELECOMS AND MEDIA

Bouygues Telecom launched several initiatives in 2021:

- For BtoC customers, the “**Sustainable smartphone solutions**” programme offers four ways to extend smartphone life: repair, recover, refurbish and recycle;
- For BtoB and local authority customers, it has a service allowing them to rent mobile telephones or buy refurbished ones. They can also rent a box, which encourages re-use;
- The free “**mon empreinte smartphone**” app, which raises awareness about digital sustainability.

<sup>a</sup> Kraftanlagen Energies & Services GmbH is a subsidiary of the Energies & Services arm.

<sup>b</sup> The green track system uses grass and vegetation between and along tracks, thereby reducing the use of concrete as well as watering requirements.



TF1 has introduced:

- “EcoRespons’Ad”, a solution that reserves advertising slots for products or services that have reduced their environmental impact, according to criteria defined by the French environment and energy management agency (Ademe);
- The “Eco-Funding” programme, a vehicle for financing campaigns that raise public awareness about environmental labels and criteria, which was launched on 1 January 2022.

## DECARBONISATION OF THE GROUP’S BUSINESS SEGMENTS RELATING TO THEIR INTERNAL OPERATIONS

Bouygues’ commitment to low carbon is also visible in the efforts to reduce the greenhouse gas emitted by its internal activities.

This second set of actions by the Group therefore aims to ramp up **employee training**, increase the proportion of **responsible purchasing** and the number of **circular economy** initiatives, speed up the roll-out of a **Green IT policy** and boost **innovation**.

### RAMPING UP OF EMPLOYEE TRAINING PROGRAMMES

Training employees to be aware of the climate emergency is crucial to the implementation of the Climate strategy. The aim is to develop a “**carbon mindset**”. Specialist staff for whom decarbonisation is central to their work receive specific technical training. Several programmes were implemented in 2021:

- At the Group level, a series of climate awareness-raising workshops called “**la Fresque du Climat**” and the “**la Fresque du Numérique**” were held. Over 3,450 employees received awareness training, including members of the Group Management Committee.
- At the business segment level, several on-line training programmes were offered. At Bouygues Construction, 2,200 had followed the module only three months after its launch; 85% of Bouygues Immobilier employees have taken the first two modules of an internal MOOC (Massive Online Open Course) on the theme of low carbon; and Colas organised a climate awareness day across all its entities on 8 April 2021.

### AN INCREASE IN THE PROPORTION OF RESPONSIBLE PURCHASING

#### Purchase of renewable electricity (scope 2)

All Bouygues group business segments have signed renewable electricity contracts to purchase power with a low carbon footprint:

Bouygues Construction	Colas	Bouygues Immobilier	Bouygues Telecom	TF1
Renewable energy contracts for all head offices and branches in France up to 2025	Low-carbon electricity supply contracts up to 2023 in France and the UK	Electricity contracts linked to the national Bouygues Telecom contract for branch offices and stores.	Contracts for renewable electricity sourced primarily from wind farms, covering all electricity purchased up to 2024	Renewable electricity contract for the group headquarters

#### Vehicle fleets and machinery

A proactive policy to increase the number of rechargeable electric and hybrid vehicles has been implemented in all business segments:



BY Construction	COLAS	BY Immobilier	BY Telecom	TF1
<p><b>Target: a 100%-green vehicle fleet by 2030</b></p> <p>In 2021, rechargeable hybrid company vehicles accounted for 16% of orders by eligible employees.</p>	<p>Decision taken to electrify the entire company car fleet.</p>	<p>Hybrid, rechargeable hybrid and electric company vehicles are now available to all employee grades: 15% of the total fleet in 2021 and 20% of ordered vehicles</p>	<p>Rechargeable hybrid and hybrid company vehicles are now available</p>	<p>Targeting 100% hybrid or electric vehicles in France, as and when the fleet is renewed: over 60% of the fleet was electric or hybrid at end-2021</p>

Colas has signed an agreement with Saipol to supply its fleet of trucks with Oleo 100, a bio-based fuel that **reduces greenhouse gas emissions by 60%** compared to diesel and **emissions of fine particles by up to 80%**.

### Suppliers (scope 3a):

In 2021, the construction businesses published **low-carbon solutions guides** for buyers, engineers and customers. They launched a partnership initiative with their supplier and subcontractor ecosystems to identify practical carbon-reduction measures that can be implemented. For example, all of Bouygues Immobilier’s “nationwide catalogues” for private customers have been revised, resulting in **a saving of over 30kg of CO<sub>2</sub> per m<sup>2</sup>**.

Bouygues Telecom is working with its main suppliers to reduce the carbon footprint of the equipment and products that it purchases. It has produced an **environmental themes assessment questionnaire** that all potential suppliers must complete at the tender stage and is included in the contractual conditions. It covers aspects ranging from a complete assessment of a supplier’s environmental governance, to eco-design, the carbon footprint and a lifecycle analysis of products and services sold.

All of the Group’s business segments have scheduled **Supplier Conventions** in 2022. These events will inform suppliers about specific decarbonisation targets and identify with them the most appropriate actions to take. The first event of this type - for Colas Rail suppliers - was held in 2021.

### **CIRCULAR ECONOMY INITIATIVES**

- **Colas recycled 8.5 million tonnes of materials in 2021 (+9% vs 2020)**. The proportion of reclaimed asphalt pavement used to make new road-building materials has increased by 8%. The surface area of road pavement recycled in-place (8 million m<sup>2</sup> in 2021) has increased by 12% since 2019.
- **Bouygues Construction used concrete made from recycled aggregates** for the Tramdepot Burgernziel project in Bern. This is the first residential property development to use Neustark technology. Elsewhere, thanks to their “zero waste” initiative, the French building activities are now able to almost fully recycle 15 different types of material. Following trials in 2020, this initiative is now being rolled out to all operating units.
- **Bouygues Immobilier has joined an industry initiative called "Booster du Réemploi" (Boost re-use)** and is also involved in Ademe’s “50 exemplary project owners” campaign.
- **Bouygues Telecom’s boxes include sustainable development specifications**, thereby extending their lifespan and facilitating repairs and end-of-life recycling. The redesign of the 4K TV Bbox in 2021 complied with CSR commitments such as reducing the carbon footprint (TUV PCF certification) and electricity consumption and increasing the use of recycled plastic.



## THE GREEN IT POLICY

In 2021, the five business segments also adopted a **Green IT strategy**, which is based on a specific carbon audit that has identified a range of initial actions and set a number of quantified targets.

The major sources of emissions related to new technologies are the manufacture of equipment provided to users (smartphones, computers, screens, etc.) and the storage of data. The business segments' targets and plans of action focus mainly on extending the lifespan of this equipment and on the quantity and location of this data (datacenters to be located in low-carbon electricity countries, for example).

## INNOVATION

Innovations to reduce the carbon intensity of direct emissions (scopes 1 and 2) were rolled out in 2021.

For example, Colas Rail is gradually equipping its locomotives in France, and soon in the UK, with **Ecostop, a solution for reducing fuel consumption in locomotives**, similar to the "start-stop" system used in cars. This patented innovation obtained a CEE (Energy Savings Certificate) from the French Ecology ministry.

The Group has embarked on a **digitisation and industrialisation** plan for the construction process. There are three core objectives: to simplify it, to improve safety and quality, and to reduce its carbon footprint. For example, Bouygues Construction signed two major partnerships in 2021, one with Dassault Systèmes to build a **digital project management platform** and another with Cambridge Service Alliance, of the University of Cambridge, in the UK to work on **digital twins**.

As part of its start-up acceleration programme, **TF1** is partnering with Workflowers, which will provide content producers **with a tool to measure and manage the carbon footprint of TV programmes**.

## CLIMATE STRATEGY GOVERNANCE

- **Coordination:**

The overall coordination and oversight of the climate & biodiversity strategy is the responsibility of the Group's Senior management. Every quarter, an ad hoc committee comprising the business segments meets to review progress on the roadmap. Group and individual business segment directors are regularly updated.

Each business segment has a dedicated structure charged with the roll-out of its specific climate strategy.

- **Remuneration:**

The remuneration criteria (for variable annual remuneration and LTI<sup>a</sup>) of Executive Officers and the business segment heads include a range of climate strategy objectives (for more details see the Bouygues Universal Registration Document).

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<sup>a</sup> Long term incentive plan.



## EXPENDITURE EARMARKED FOR THE CLIMATE STRATEGY

In order to successfully implement its climate strategy, the Group has earmarked, within its expenditure for 2022-2024, an estimated **€2.2 billion<sup>a</sup>** in order to help reduce its carbon footprint.

This **amount**, comprised both of capital and operating expenditure, **applies to all of the Group's business segments**, unlike the Green Taxonomy which only applies to the eligible part of its activities that aim to mitigate or adapt to the effects of climate change. The Green taxonomy currently excludes almost all of the activities of Bouygues Telecom and TF1 because it considers them to be not a priority for the acceleration of the transition towards a more sustainable economy. Furthermore, only a small part of Colas' sales is considered to be aligned with this taxonomy (its low carbon infrastructure and water and energy transport business).

However, in line with its Climate strategy, **the Group believes that its decarbonisation actions should be rolled out in all of its activities**, even those that are not considered to be aligned with the Green taxonomy, in order **to make them as virtuous as possible**.

Furthermore, this amount comprises all the operating expenditure by the business segments that contribute to obtaining the decarbonisation targets, despite the fact that the taxonomy has a very strict definition of operating expenditure that does not reflect the reality of the efforts carried out by the business segments.

## TAXONOMY (for your information)

**The percentage of Group sales aligned with green taxonomy criteria amounted to 35% in 2021.** This covers primarily the property development activities, low-carbon transport infrastructure, the installation and maintenance of energy-efficient equipment, the production and storage of renewable energy and water and energy transport infrastructure. Sales generated by the **nuclear power and gas** activities, which were still considered as not aligned at end-2021, **account for 2% of Group sales**.

Information relative to the other Taxonomy indicators will be published on 24 March 2022 in the Group's Universal Registration Document.

## ABOUT BOUYGUES

Bouygues is a diversified services group operating in over 80 countries with 124,600 employees all working to make life better every day. Its business activities in **construction** (Bouygues Construction, Bouygues Immobilier, Colas); **media** (TF1) and **telecoms** (Bouygues Telecom) are able to drive growth since they all satisfy constantly changing and essential needs.

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<sup>a</sup> Estimate by the business segments of the expenditure and investment necessary to achieve the climate targets (different method to that of the taxonomy).



## ANNEXES

### Annex 1: ACHIEVEMENTS

- **CDP<sup>a</sup>**: the Bouygues group is rated **A-** in CDP's 2021 Climate change list.
- **SBTi<sup>b</sup>**: Colas' climate targets have been endorsed by the SBTi (scopes 1, 2 and 3a).
- **The Recyterre label and the circular economy**: the Brézillon waste collection centre (Bouygues Bâtiment Ile-de-France), which sorts, processes and recycles polluted soil, received the **Recyterre label**, which is awarded to facilities that process and recycle excavated spoil.
- At the **Green Solutions Awards 2021**, Bouygues Construction won the "Prix du Public" in the "District" category for La Maillerie, located in the Lille metropolitan authority.
- At the SIATI awards, Bouygues Immobilier won the **Silver trophy for the most innovative urban transformation** in the urban planners category and received a **second Green Solutions Award** for the Nanterre Cœur Université eco-neighbourhood.
- Bouygues Immobilier ranked third in the category of property developments with **BBCA<sup>c</sup>** certification.
- The Group supports the **TCFD<sup>d</sup>** initiative and aims to align itself with the Task Force's core objectives (the TFCO concordance table is available on page 64 of the Group's Integrated Report).

### Annex 2: PARTNERSHIPS

- **The Bouygues group** contributes to the following initiatives: MEDEF's French Business Climate Pledge, AFEP's "Ambition4Climate", the Net Zero Initiative and the "IRIS" project at Carbone 4 and the work of the Shift Project. It also supports decarbonisation projects through its environmental patronage schemes (including Time for The Planet). It is a partner of Essec Business School, where it holds an international Chair dedicated to the circular economy. It sponsors the public/private initiative "Le Grand Défi des entreprises pour la planète".
- **Bouygues Construction** supports the IFPEB's "Booster du Réemploi" (Boost re-use) initiative. Partnership agreements have been signed with companies in the timber sector from various countries (PiveteauBois, Stora Enzo, Fédération Nationale du Bois in France, CREE, etc). A partnership has also been signed with Wicono for the responsible sourcing of aluminium, which is over 75% recycled, for use in external joinery.
- **Bouygues Immobilier** sits on a panel of 149 companies representing the French economy at the Convention des Entreprises pour le Climat (CEC)<sup>e</sup>.
- In partnership with IDRRIM, the French roads and mobility infrastructure agency, **Colas** is helping to draft and roll out a package of sustainable infrastructure commitments aimed at local government authorities.
- As a co-founder of Ecoprod, **TF1** has not only strengthened its finances, but also its role and its objectives, in order to commit a wider segment of the broadcasting sector to more sustainable practices
- **Bouygues Telecom** is strengthening its partnerships in order to extend the lifespan of its mobile phones: with Recommerce, which specialises in the trade-in and resale of refurbished handsets, and with WeFix, which specialises in repairing them.

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(a) Carbon Disclosure Project.

(b) Science Based Targets initiative, a joint effort of the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

(c) Low-carbon buildings.

(d) Task Force on Climate-related Financial Disclosures.

(e) This forum aims to propose bold, high-impact measures that can be implemented by French companies. The CEC will run from 9 September 2021 to 18 June 2022. Source: CEC