

TAX POLICY



PREAMBLE

The Bouygues group has a presence in over 80 countries, and is a diversified services group operating in buoyant markets. Our mission is to make everyday life better for as many people as possible. Our six business segments meet the needs of our customers: a place to live and ways to move around and communicate, low carbon energy and being kept informed and entertained. Our social utility is driven by the core values of our corporate culture:

- **Responsibility:** we draw on a range of talents to encourage curiosity and inventiveness while remaining pragmatic;
- **Excellence:** we seek to remain ahead of the game by putting creativity at the service of our clients and consumers while maintaining total transparency;
- **Openness to challenge:** we listen closely to the world and to those around us;
- **Compliance:** we apply laws, regulations and our own internal standards rigorously.

Our core values are set out and developed in the Bouygues Group's Code of Ethics and Human Resources Charter. Embedded in those core values is exemplary tax conduct in all the countries where we operate.

1 GEOGRAPHICAL EXPANSION STRATEGY

Our decision to establish operations in a particular country is determined by our desire to develop the best possible offering and service for our customers in that country. This strategy, driven exclusively by commercial objectives, is set out at the level of Bouygues SA, our parent company, which is headquartered in France.

Internal organisational or operational needs may require us to be present (albeit very marginally) in countries viewed as low-tax jurisdictions. As a result, we may be required to pay additional tax under "Pillar 2" (the global minimum tax developed by the OECD that came into force on 1 January 2024) in countries such as Hungary, Ireland and Qatar, though the amounts involved are very modest compared with the corporate income tax we pay worldwide. The list of such countries may change over time, depending on the geographical footprint of our projects.

2 FISCAL CITIZENSHIP

The Group does not have an aggressive fiscal policy. That means we only enter into transactions that have a strictly commercial motivation and are not artificial. The entities we use are not based on tax optimization schemes. Our strategy is solely to achieve our commercial and industrial objectives while making a societal contribution to all our stakeholders. Our operations generate a substantial amount of taxes and duties both in France and abroad, constituting a large part of our economic contribution.

We pay corporate income tax, withholding taxes, import and customs duties, stamp duties and other taxes in territories where we operate. We also collect and pay payroll-based taxes in respect of our employees, and indirect taxes like VAT and some industry-specific taxes.

In every country where we operate we are committed to exemplary tax practices, so we seek high-quality relationships with local tax authorities.

As regards stakeholders (subcontractors, suppliers, etc.) the Bouygues group's Anti-Corruption Compliance Programme prohibits all "payments [] in third countries for purely fiscal purposes".

3 COMPLIANCE WITH LEGAL REQUIREMENTS AND TAX LAWS

Our approach is to comply strictly with local laws, so the remit and resources of our Tax Department are structured to achieve total compliance with evolving regulations in countries where we operate.

Before signing a contract, we ensure that the structures underlying it comply with applicable tax obligations.

And during the life of a contract, we fulfil our filing obligations in accordance with all laws and regulations and submit returns and pay taxes within the legal time limits.

We also communicate factual and narrative information in line with OECD (BEPS action plan) and European Union recommendations. Bouygues reports information about tax in our Universal Registration Document, including the effective tax rate, a tax proof, and the total tax paid in France, abroad, and worldwide.



COMPLIANCE WITH OECD PRINCIPLES

Given the significant proportion of the Group's activities carried out in France and the nature of our operations in foreign countries, intragroup transactions between companies resident in different countries are limited. Such transactions are priced in accordance with the "arm's length" principle enshrined in recommendations issued by the OECD and the European Union, and are detailed in our transfer pricing documentation. They are disclosed to the tax authorities in simplified transfer pricing declarations and through annual tax returns, where countries require this.



RELATIONS WITH LOCAL TAX AUTHORITIES

The Group strives to build and maintain constructive relations with local tax authorities based on mutual respect. Wherever possible we work collaboratively to achieve effective dialogue and resolve any disputes. We respond appropriately and in a timely manner to requests for information from each tax authority.

In France, Bouygues has signed up to the *Partenariat fiscal* (Tax Partnership) with the Ministry of the Economy and Finance in order to consolidate co-ordination with the Tax Authorities and safeguard against the risks and strategic tax challenges facing the companies in the Bouygues SA group tax election. An equivalent approach is cultivated with tax authorities in other countries.



MANAGING TAX RISK

Our Tax Department, assisted where necessary by external advisors, tries to eliminate the risk arising from uncertainty or complexity in interpreting tax laws and regulations. Despite this, the size of our business and the volume of our tax obligations means that our tax positions may be contested by tax authorities due to differing interpretations. In such cases, our Tax Department aims to defend the Group's interests while respecting the spirit of the law, and the objective sought by the legislator.



GOVERNANCE

This tax policy was established at the level of Bouygues SA, the Group's parent company headquartered in France, and has been shared with the Audit Committee and Board of Directors of the Bouygues group.

Chief Executive Officers and Chief Financial Officers of Group entities, assisted by their tax teams, implement this policy locally. Chief Financial Officers, with support from internal audit, are also responsible for ensuring that controls and procedures underpinning this policy are in place, regularly updated, and properly applied. The internal control and risk management systems put in place by Bouygues and described in our Universal Registration Document also apply to our Tax Department. These help to prevent, identify and control the main tax risk factors that might impede the attainment of the Group's objectives.

At least once a year, the Group's Finance Department presents potential tax risks and litigation to the Audit Committee, along with an analysis of the split of taxes paid between the five principal jurisdictions in which the Group operates.

Finally, Internal Audit may carry out audits of our Tax Department, and of our tax management procedures and their correct application.