# 2020

## ANNUAL REPORT

Shareholders' Meeting
of April 20, 2021

COLAS

WE OPEN THE WAY

# Contents

## CHAIRMAN AND CEO
as of February 16, 2021

**Frédéric Gardès**

## BOARD OF DIRECTORS
as of April 20, 2021 (1)

### DIRECTORS

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Chairman and CEO

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**Colette Lewiner** (2)
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Director

## STATUTORY AUDITORS
as of April 20, 2021 (1)

**Mazars**
Statutory Auditor

**PricewaterhouseCoopers Audit**
Statutory Auditor

(1) Subject to approval by the General Meeting of Shareholders of April 20, 2021.
(2) Independent director.

# MANAGEMENT REPORT

# Management report

# 1. PROFILE

Colas has one mission: to imagine, build and maintain sustainable transport infrastructure from its local roots around the world.

Backed by a global network of 800 local construction business units and 3,000 material production units in more than 50 countries on five continents, the Group's 55,000 employees act locally to connect communities and foster exchanges for today and tomorrow.

Colas' ambition is to be the world leader in innovative, sustainable mobility solutions.

## 1.1. Business Activities

Colas works in the construction and maintenance of transport infrastructure through three main business segments:

— Roads (construction and maintenance of road infrastructure, including road safety and signaling);
— Construction materials (production and recycling);
— Railways.

It also operates in Water and Energy transport.

Colas performs more than 60,000 projects each year around the world, the majority of which involve recurrent local business.

### 1.1.1. Roads

The Group's main business activity involves the construction and maintenance of road infrastructure. The Roads business is very diverse, covering a wide range of jobs and skill sets.

Each year, via more than 56,000 projects worldwide, Colas builds and maintains roads and highways, and also works on airfield runways and aprons, seaports, industrial sites, logistics hubs and commercial premises, city streets and urban development (pedestrian walkways, city squares), reserved-lane public transport (tramways, metros, bus rapid transit), recreational amenities (bicycle paths, motor racing tracks, sports facilities) and environmental protection (retention ponds, landscaping, wind farms), etc. The Group also manufactures, installs and maintains safety and signaling on these infrastructures. The degree of seasonality of this business varies from one country to the next.

This activity also includes small-scale civil engineering and drainage work often linked to road projects, as well as more complex civil engineering jobs (major structures) required when bidding for road or highway contracts.

Lastly, in certain geographic zones, the Group's road work companies also carry out building activities including new construction and renovation projects in the Paris region and the Indian Ocean and Pacific, where this is often an indispensable addition to road work, and the demolition and deconstruction of existing buildings in France under the brand Premys.

The Group's road construction and maintenance business covers a very large number of smaller projects, as well as projects of greater size and complexity.

These projects can be carried out in the form of complex contracts such as concessions, P3 (Public-Private Partnership), PFI (Private Finance Initiative) and ASC (Asset Support Contract). In connection with such projects, Colas sometimes acquires stakes, mostly minority, in concession companies for highway and airport infrastructure, urban roadways, and public transport. Colas Projects, an entity dedicated to major projects, provides subsidiaries with expertise in studies and construction.

Colas performs its roads business at almost every one of its locations worldwide: mainland France (tightknit network of 300 profit centers throughout the country), the British Isles (United Kingdom and Ireland), continental Europe (in Belgium, Denmark, Iceland, Switzerland, and, Central Europe, mainly Croatia, Hungary, Poland, Czech Republic, Romania, Slovakia), the United States (mainly sixteen states), Canada (all provinces and territories), all French overseas departments and regions (Martinique, Guadeloupe, French Guiana, Mayotte, Réunion), the Indian Ocean (Madagascar, the Comoros, Mauritius), Africa (mainly Morocco, West Africa and Southern Africa), Middle East (United Arab Emirates, Oman, Qatar), Australia, New Caledonia, Latin America (Chile, Peru), and less frequently, Asia (Thailand).

### 1.1.2. Construction materials

Upstream of road construction and maintenance, Colas operates a major production and recycling activity for road construction materials (aggregates, emulsions and binders, asphalt mix, ready-mix concrete, bitumen) throughout its locations around the world. These materials are consumed or sold to third parties.

Colas relies on a tight international network made up of 478 quarries and gravel pits (of which 79 are jointly owned), 151 emulsions and binder plants, 538 asphalt plants (of which 140 are jointly owned), 192 ready-mix concrete plants and a bitumen production plant (located in Kemaman, Malaysia).

For the year 2020, the Colas Group sold 89 million tonnes of aggregates (excluding Reclaimed Asphalt Pavement), 2.1 million tonnes of emulsions and binders, 35 million tonnes of asphalt mix and 2.6 million cubic meters of ready-mix concrete. Bitumen production represented 1.0 million tonnes. Colas also has a Group share of 2.7 billion tonnes of authorized reserves (1) of aggregates (i.e. 30 years of sales, Group share), with, in addition, 1.3 billion tonnes of potential reserves (2) as an additional Group share.

Colas also produces road safety and signaling equipment through its subsidiary Aximum, which has 10 factories in mainland France and also in the Netherlands.

In addition to the production and recycling of construction materials upstream of the roads business, Colas is also a major player in the bitumen distribution business, particularly in Asia (through the Thai subsidiary Tipco Asphalt, in which Colas holds a 31% stake.), Australia and North America (major bitumen distribution business in Canada, bitumen storage in the United States). The Group is backed by a network of 71 bitumen terminals, 8 bitumen ships, 2 river barges and 200 railcars.

### 1.1.3. Railways

The Railways business, performed by Colas Rail and its subsidiaries, includes the design and engineering of large complex projects, the construction, renewal and maintenance of rail networks (high-speed and conventional train lines, tramways, subways), with the laying and maintenance of tracks, electrification (substations, catenary systems), signaling/telecommunications, safety systems, ventilation and fire detection/protection, as well as specific projects involving bridge cranes, special branch lines, repair of railway tunnels.

The Railways units operate in France and around the world, in over 20 countries, notably in the United Kingdom, as well as in Belgium, Italy, Switzerland, Poland, the Czech Republic, Canada, Chile, Egypt, Algeria, Tunisia, Morocco, Vietnam, Indonesia, and Singapore.

### 1.1.4. Other activities

#### WATER & ENERGY TRANSPORT

This activity is operated by Spac. It includes the laying and maintenance of pipes and pipelines for the transport of water and energy (oil, natural gas, electricity, heating, air conditioning), including the construction of turnkey gas compression stations, small-scale civil engineering work and industrial services.

These activities are carried out mainly in France. Spac is pursuing its international development, most often by relying on local Colas companies.

## 1.2. Climate strategy

### 1.2.1. Ambition

Faced with the challenges of climate change, Colas is committed to decarbonizing its activities.

### 1.2.2. Targets

Colas has set itself an ambitious target, compatible with the Paris Agreement: reduce its direct greenhouse gas emissions by 30% (Scopes 1 and 2) and its indirect upstream emissions by 30% (Scope 3a) compared to the reference year 2019.

This target is based on estimates of $CO_2$ savings resulting from the implementation of actions described in a roadmap.

### 1.2.3. Action Plan

Led by a Low Carbon Strategy Committee, the project is rolled out across the Group's operational entities via a Low Carbon roadmap including 24 commitments, monitored by existing indicators or those in the process of being created. The actions hinge on four cornerstones:

— integrating climate issues into the strategy (new business segments based on renewable energy offers, employee awareness and training);

— improving energy efficiency to reduce greenhouse gas emissions linked to the direct energy consumption of asphalt plants, machines and vehicles (monitoring, renewable energies, low carbon solutions);

— developing and promoting low carbon products, techniques and solutions (purchase of low carbon cement and binders, production of low carbon concrete, bio-based materials, warm and cold mixes, in-place recycling);

— contributing to carbon neutrality and the reduction of emissions from customers and users (innovative, sustainable mobility and flow management services, optimizing infrastructure uses, carbon capture and storage).

(1) *Authorized reserves refers to the annual tonnages authorized by the authorities, multiplied by the number of years remaining unti expiration of the operating permit, at all premises controlled by the Group. This figure cannot exceed the number of tons that are economically viable within the scope of the permit.*

(2) *Potential reserves refers to tonnages currently in controlled premises, with the reasonable likelihood that a local permit will be obtained, and not already counted under "Authorized reserves". This figure cannot exceed fifty years of production, based on the assumption that a permit will be obtained or an existing permit renewed.*

## 1.3. Development Strategy

Colas' development strategy is based on four cornerstones:

- **capitalize on industrial activities, in particular quarries and bitumen,** in a way that is responsible and sustainable on social, environmental and societal levels, in order to control availability and procurement quality and improve the Group's competitive edge;
- **continue to focus on targeted international growth,** mainly through external growth in low-risk countries, to establish and develop leadership positions in local markets and spread risk through geographical diversification;
- **develop and implement low carbon solutions,** in production methods (energy savings, recycling, hydrogen, teleworking, etc.) and in offers for customers and users (contractual, technical, digital solutions);
- **adapt Colas to a post-Covid world, in particular by accelerating the digital transformation** in processes, industries and new business segments, in order to improve the quality of services, competitiveness, and offer new services.

## 1.4. Strengths

Colas benefits from **long-term growth markets around the world**. These markets are driven by population growth, urbanization, substantial demand for infrastructure in emerging countries, recurring needs for infrastructure maintenance in developed countries, environmental issues, the development of new forms of mobility and the digital revolution.

Colas' main strengths are as follows:

- **collective global expertise,** thanks to the 55,000 men and women who work at Colas, united around a common history and shared values (Caring, Sharing, Daring) and a renowned brand name;
- **capacity for innovation,** in particular with its Campus for Science and Techniques, which designs and develops products and techniques addressing the challenges of energy transition and new uses, as well as "Mobility by Colas" in the area of digital transformation, supporting mobility services by developing digital technology for new uses and services;
- **vertical integration,** with an international network of 3,000 construction materials production and recycling plants (aggregates, bitumen emulsions, asphalt mix, etc.) and bitumen terminals, which give it control of the value chain at an upstream stage and in particular of its impact on the environment;
- **decentralized organization,** in the form of a network of 800 business units around the world, with long-standing local teams adapted to local requirements and carrying out small-scale maintenance and development work, which represent the majority of the more than 60,000 projects performed each year. In addition, a dedicated structure – Colas Projects – works alongside subsidiaries in designing and performing major projects;
- **solid financial structure** with a strong cash flow enabling Colas to pursue its growth strategy by continuing to take advantage of targeted investment opportunities.

## 1.5. Competition

### ROADS (INCLUDING SAFETY & SIGNALING) AND CONSTRUCTION MATERIALS

In the Mainland France, Colas is the leader ahead of Eurovia (Vinci group) and Eiffage Travaux Publics (Eiffage group). It also competes against large national companies such as NGE and Malet, and regional companies like Ramery, Charrier, and Pigeon as well as a very dense network of small- and medium-sized businesses that may be regional or local. In the aggregates and ready-mix concrete market, competitors include cement groups such as LafargeHolcim, Cemex, Equiom, HeidelbergCement, and Vicat, and a regional or local network of aggregate producers, which in some cases also work in construction. In the Road Safety & Signaling market, Aximum's main competitors are Signature (Eurovia), Agilis (NGE), AER (Eiffage), and Girod and Lacroix for panels.

In most European countries where Colas operates, the Group enjoys a leading position in the road market. Its main competitors in Europe are national companies or subsidiaries of major international groups (construction, cement, materials producers).

In the fragmented North American markets, Colas' competitors are local, regional and national players (for example, in the United States, Granite Construction for the construction and renovation of transport infrastructure; Martin Marietta and Vulcan Materials for materials) or subsidiaries of multinational companies, particularly for the materials production business (e.g., CRH, LafargeHolcim, Hanson-Heidelberg).

In most other countries and regions where it does business, Colas is a prominent player in the road construction sector. It competes in each country with national corporations or the subsidiaries of major international groups (construction and public works, cement makers, material manufacturers).

### RAILWAYS

Colas Rail's main competitors in France are ETF (Eurovia), TSO (NGE), TGS (Alstom), Eiffage Rail, and a number of independent mid-sized companies. In the United Kingdom, they are Balfour Beatty, Babcock, Volker Rail, Bam and Ferrovial.

### WATER & ENERGY TRANSPORT

Spac's main competitors are major national and international companies such as Spiecapag, Denys, Eiffage, Streicher, Ponticelli, Endel, and a dense network of small- and medium-sized companies.

# 2. NON-FINANCIAL PERFORMANCE STATEMENT 2020

## 2.1. Business model

In a world undergoing profound demographic and geographical changes, mobility requirements are constantly increasing, as new constraints and demands begin to take shape. Drawing on the strengths of a business model that has stood the test of time over its 90 years in the construction and maintenance of transportation infrastructure, today Colas is transforming itself to deliver tomorrow's mobility infrastructure and solutions while identifying and addressing key CSR issues [(3)] through all its activities.

To ensure that infrastructure can continue be used over the long term, its maintenance requirements are taken into account at the design stage. In the case of transportation infrastructure (streets, roads, railways, airports, etc.), maintenance and transformation of existing structures accounts for around 90% of the market and translates into a large number of small projects (averaging €166k each). Every year, to complete these thousands of projects, Colas relies on its extensive network of local business units.

It is also essential to have access to a sizable inventory of equipment of all kinds, both stationary and mobile, distributed across all the Group's geographies. To ensure that the best and most productive use is made of these costly assets, Colas strives to secure a sufficient volume of business in each region, within a medium- to long-term perspective.

Colas' operations require considerable human resources, including a high proportion of workers, who make up about 60% of all staff. Colas is committed to offering its employees in all regions satisfactory working conditions that are sufficiently attractive to potential future recruits. Employee engagement can only be secured by affirming and putting into practice the core values of ethics, safety and respect for human rights.

On the basis of these observations, Colas has developed a business model based on the following principles:

— conducting its business activities by means of long-term, local operations on a human scale all over the world;
— taking a decentralized approach that lets its business units adapt to local conditions (technical, human resources, weather-related, etc.);
— allowing its business units and their clients to benefit from the pooled expertise of a major group.

To enhance this business model, Colas has developed complementary areas of expertise and business activities:

— new, large-scale construction projects require planning and decision-making expertise in areas such as engineering, financing, management, and project performance, supplementing the skills and know-how traditionally associated with the Group's business activities. These new areas of expertise are brought together within the Colas Projects entity, which serves as a support function for the entire network of long-established Colas business units. In connection with major projects, Colas Projects teams also explore the potential for technical and organizational improvements, which thus take their place among the network's competencies;
— to offer clients and users the best possible transportation conditions, it is essential that Colas understands and manages the value chain upstream of its activities: by doing so, Colas has, over the years, developed strong positions in the production of aggregates and the processing and distribution of bitumen-based products. Thanks to its expertise in these two activities, Colas lays claim to a long history of innovation. Furthermore, the integration of aggregate and bitumen production activities with construction and maintenance activities means that Colas is better positioned to manage their impacts (by way of carbon footprint analyses, for example);
— lastly, to optimize and consolidate its presence in certain regions, particularly islands and other remote areas, Colas offers services that supplement its core activities, including civil engineering, water and energy distribution, environmental engineering, building operations, etc.

While building and maintaining transportation infrastructure satisfies an essential human need, it must not be done without taking the attendant environmental issues into consideration: the impact of heat engines, consumption of natural resources (aggregates, hydrocarbons, etc.), ecosystem fragmentation, disappearance of undeveloped land, etc. Fully aware of the challenges involved, which are tied in a more general sense to the energy transition away from fossil fuels and environmental sustainability, Colas is taking action to adapt its activities. To this end, Colas is drawing on its business model to adapt to local conditions as well as on its ability as a global group to capitalize on positive feedback and come up with breakthrough innovations.

*(3) Corporate Social Responsibility.*

Mobility issues are emerging as one of the most complex challenges facing human society [(4)] today, whether they relate to interactions between modes of transportation, the many purposes for which infrastructure is used, or the rapidly evolving behaviors or expectations of users. The result is that the industries in which Colas operates are being called to account. Without favoring one mode of transportation over another, Colas aims to serve all of them, depending on the choices made by decision-makers in the public sector, and to promote the most efficient and sustainable solutions. Colas is thus moving forward with its transformation, through which it aims to gradually become a single-source provider of sustainable and integrated mobility solutions, particularly with respect to smart roads and sustainable cities [(5)]. To deliver on this strategy, Colas is drawing on the collective intelligence of all its teams and is setting up partnerships with players in areas such as services and digital technology.

The rapidly evolving competitive environment in which Colas operates is also becoming more complex. As a global leader in the public works sector, Colas competes with major French and European companies (such as Eurovia and CRH) both in France and internationally. Colas is also aware of increased competition from companies in fast-growing emerging countries (e.g. Turkey, China and Brazil), particularly in developing parts of the world. Lastly, in new markets such as sustainable cities, we are witnessing the arrival of new entrants from the digital sector (e.g. Alphabet, Cisco and Orange) positioning themselves as stakeholders in the transformation of cities, living conditions and transportation.

Transportation infrastructure brings out the usual contradictions of sustainable development: on the one hand, it meets an essential need of humans in society but, on the other, it entails negative consequences for stakeholders. To reconcile these contradictions, Colas is focusing its efforts on several issues that are specific to its business activities:

— **optimization of life cycle costs:** for the payer or the user, it is much less costly in the long run to perform regularly scheduled maintenance on transportation infrastructure rather than to rebuild it after leaving it to deteriorate over a number of years. Optimization of life cycle costs over time delivers many CSR benefits: energy savings, reductions in material throughput, fewer accidents, greater user satisfaction, more efficient transportation systems, etc. Colas, which generates most of its revenue through its activities in infrastructure maintenance, also offers a range of solutions allowing infrastructure owners to lower their overall ownership costs, or even to operate their infrastructure as a service, as in the "Road as a Service" (RaaS) model;

— **circular economy** [(6)]**:** aggregates, rocks, sand and gravel are the most used raw materials in the world, with a per capita consumption of slightly more than five metric tons per year. Only water consumption for all human needs exceeds this figure. Moreover, it is estimated that transportation infrastructure accounts for nearly half of the total aggregates used. Reducing material throughput is therefore a key issue for Colas. These reductions may be achieved by recovering materials from demolished infrastructure (concrete, asphalt mix, etc.), but also by reusing waste or by-products from other domains: incineration clinker, blast furnace slag, plastic waste, refinery bitumen (which has replaced the mineral tars from gasification plants used in the previous century), etc. This contribution to the local closed-loop material cycle, and more widely to the circular economy, is making Colas a leader in recycling worldwide. Recycling is also a major issue in terms of climate: given the volume of materials they use, all Colas activities are inherently energy intensive, from the extraction and transportation of materials to their application. Through recycling, together with scheduled maintenance, Colas is significantly reducing its energy footprint;

— **protection of nature** [(7)]**:** although some Colas businesses have large land footprints (gravel pits and quarries for the extraction of aggregates), Colas is especially concerned by the footprint of the linear infrastructure that it builds or maintains. The latter contributes to ecosystem fragmentation, and it also opens up access to natural habitats that can then be occupied by human populations, resulting in the artificialization of these environments. This phenomenon is a major sustainability challenge facing society, particularly in less developed areas of the world. Colas does not have leverage to reduce the footprint of existing structures, whose maintenance represents most of its business. As these structures have already contributed to the artificialization of the environment, it is preferable to proceed with their upkeep and improve their efficiency rather than building new structures. As regards aggregate extraction sites, there are hardly any countries today where it is possible to open such sites in well-preserved natural environments. Reducing material consumption through recycling and taking account of the surrounding biodiversity nevertheless remain key societal acceptance factors for Colas;

— **social progress** [(8)]**:** in the world's increasingly complex economies, a growing social challenge is to facilitate the access or return to employment of lower skilled workers and ensure a path to social inclusion for them. Any society will have difficulty achieving consensus if it fails to offer its citizens opportunities to work and reach their goals in life on their own. Today, Colas is one of the rare companies able to promote social integration and advancement through its job offers, even for lower skilled workers. Colas promotes teamwork and a sense of the practical, and aims to foster an entrepreneurial culture. It gives priority to local employment, invests in training, and provides a range of career development opportunities for its employees. Colas thus makes a contribution to improving social cohesion in the regions and communities where it operates, and particularly in less developed countries.

*(4) UN Sustainable Development Goal 9 (SDG 9): Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.*

*(5) UN Sustainable Development Goal 11 (SDG 11): Make cities and human settlements inclusive, safe, resilient and sustainable.*

*(6) UN Sustainable Development Goal 12 (SDG 12): Ensure sustainable consumption and production patterns.*

*(7) UN Sustainable Development Goal 15 (SDG 15): Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.*

*(8) UN Sustainable Development Goal 8 (SDG 8): Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.*

— **health and safety:** personnel involved in all Colas activities (Colas employees, temporary staff, subcontractors, etc.) are exposed to health and safety risks. Managing these risks and reducing the number of accidents requires an ongoing commitment and constant vigilance. Colas must also manage the road safety of its employees. Year after year, Colas strengthens its actions to improve safety in its operations (training, developing a safety culture, audits, etc.) with the aim of building a Colas safety culture;
— **ethics and compliance:** public procurement and orders from large and highly structured companies (highway companies, railway operators, mining companies, etc.) make up the bulk of Colas' business. There is considerable competition in these activities, especially since differentiation is limited by the specifications of these customers as well as their tendency to choose the bidder with the lowest price offer. As it does for safety, Colas acts with resolve to ensure that ethics remains an essential pillar of its corporate culture and a major advantage in its business. Colas also devotes particular attention to its operating costs, in order to maintain its competitiveness, but also to guarantee its ability to allocate budgets for innovation and the development of new products and solutions.

# 2.2. Approach to social responsibility

Colas' approach to corporate social responsibility (see www.colas.com) is based on the dual conviction that its businesses help fulfill essential needs and aspirations, and that they must be conducted in a responsible manner. Colas has to take into account the expectations and contradictions of contemporary society, including social cohesion, climate change, transportation and housing needs, improving living conditions, energy transition and resource management.

Colas implements this approach based on a number of priorities rooted in the idea of risks and opportunities, whether with regard to the specific characteristics of its business lines or the need to make progress across all businesses in all industry sectors.

This approach and the associated objectives and actions are consistent with the UN's 17 Sustainable Development Goals (SDGs), half of which apply directly to Colas' activities, notably in the following areas: 3. Access to healthcare; 5. Achieve gender equality and empower all women and girls; 7. Use of renewable energy; 8. Decent work for all; 9. Innovation and infrastructure; 11. Sustainable cities and communities; 12. Ensure sustainable consumption patterns; 13. Combating climate change; 15. Protect terrestrial flora and fauna.

The Group's social responsibility approach seeks to foster a deep and lasting culture of continuous improvement in the field, across the Group's 800 construction business units and more than 3,000 materials production units (quarries, emulsion plants, asphalt and ready-mix concrete plants, bitumen production plants).

## 2.2.1. Overhaul of the social responsibility approach

Colas' social responsibility approach was revised in 2020 at the end of a two-year process as part of the One Colas Responsibility project. At the start of this One Colas process, the strategy pursued by Colas in this area was reformulated and clarified. This stage was followed by the rollout of a certain number of structuring measures, with One Colas thus functioning as an incubator for business-specific or cross-business projects aimed at transforming Colas.

### 2.2.1.1. EVALUATION OF INTANGIBLE CAPITAL

As a first step, it was considered interesting and enlightening to draw an economic connection between CSR and Colas' intangible value, thus helping to shape CSR policy, in particular by selecting the approaches likely to strengthen this capital.

The total value of the Colas Group was determined using the reference value method developed by the French consulting firm Goodwill-management on behalf of France's Ministry of Economy and Finance. This method examines four key factors for every company: the quality of governance, the macroeconomic context, financial health, and intangible capital. Intangible capital is assessed on the basis of eight assets, thus also approximating an evaluation of the company's integration of CSR: customers, human capital, brand power, organization, environment, know-how, partners and suppliers, and information systems. This study found that Colas has a value significantly higher than its market capitalization.

The following strengths were noted:
— a solid and stable customer portfolio and a range of activities that serve Colas well in its markets;
— strong human capital, with competent, engaged and loyal employees;
— considerable flexibility and responsiveness in decision-making processes, together with a high capacity for adaptation to local realities;
— effective environmental management made possible by a worldwide network of environmental representatives and well-adapted tools;
— recognized expertise making the Group a global leader in its industries.

But this study also revealed several areas for improvement, some of which had already been targeted by a One Colas action plan:
- high-quality brand, but one that lacks a strong global reputation;
- supply chain management processes that are not yet sufficiently mature;
- information systems in need of infrastructure consolidation.

## 2.2.1.2. MATERIALITY ANALYSIS AND STAKEHOLDER CONSULTATION

The identification and prioritization of the most critical social responsibility issues for Colas, made possible via its CSR materiality matrix, was based on several reference systems and compares internal data (business model, existing policy, risk mapping exercise, etc.) with various external reference frameworks (ISO 26000, Article 225-102 of the French Commercial Code, GRI, etc.). This analysis pointed to five broad categories for CSR issues:

1. Governance and regions;
2. Products and solutions;
3. Human capital;
4. Ethics;
5. Environment.

Taking this first materiality analysis as its starting point, the Colas Group went on to survey its stakeholders, both internal and external, in France and other countries, using crowdsourcing platforms, in order to better understand their expectations and embed its commitments within a continuous improvement approach. The French- and English-language platforms collected 6,500 votes and nearly 800 verbatim responses of all kinds during a period running from May to December 2019. A total of 550 stakeholders took part – 62% in France, 18% in North America, 13% in Europe excluding France, and 7% in Africa and Asia – aptly reflecting the distribution of Colas locations around the world. By using this means of communication, a large number of respondents were able to be contacted, especially given the questionnaire's length, demonstrating the interest generated by this type of approach.

The results presented below do not purport to be exhaustive. Only the salient points in each category are reported, based on the proposals having received the highest number of votes. There were two key takeaways from this survey, across all five categories: the first is that a CSR approach should be based on guidelines shared by the entire Colas Group, in sync with the One Colas strategic plan, and the second is that many employees consider themselves to be Colas ambassadors.

- **Governance and regions:** two issues in particular drew the attention of stakeholders:
  - *the flexible adaptation of CSR policy to regions* sparked many comments about the environment and human rights. Concerns raised in relation to the environment for this category include making environmental protection and recycling core values for Colas, implementing a proactive environmental approach at all work sites so that all employees are bound together by the same environmental vision, finding solutions reconciling the activities of both work and production sites with the restoration of natural habitats, setting overall targets whatever the region, recovering waste, and using alternative materials. For stakeholders, the topic of human rights must be considered in its totality, in line with the idea that these rights are universal and must be upheld in the same way everywhere in the world;
  - *the involvement of stakeholders* facilitates the social acceptance of both work and production sites, and the integration of local actors over the entire life cycle of each project is essential. Comments underscore the importance of making sure this dialogue is always encouraged, to create the necessary conditions for the intelligent and sustainable mobilization of all Colas resources. The structured dialogue approach currently in use appears to be one of the keys to Colas' success and its capacity for adaptation because it allows for the detection of weak signals at the right time, while one of the prerequisites for this dialogue is the fact that all Colas work sites and production facilities take pride in leading by example.
- **Products and solutions:** for this category, which looks at issues in the value chain, comments focus on concerns relating to suppliers and service providers, and especially those involved in setting up a quality assurance process with these partners, along with taking a multi-tiered approach and the implementation of CSR criteria in purchasing processes. In addition, including elements of carbon footprint analysis in bidding processes drew considerable feedback.
- **Human capital:** comments stressed the importance of diversity, whether in relation to professional backgrounds, religious beliefs, cultures, gender, or other aspects. Diversity is seen as bringing collective strength, encouraging openness and tolerance. Managers and their teams must be conscious of differences without falling into the trap of setting quotas. An important part of the discussions revolved around quality of life in the workplace. Younger generations in particular place a great deal of importance on the work-life balance and are encouraging Colas to make progress in this area. It is also recommended that teams receive more support with respect to digital transformation efforts to ensure better management of their workload.
- **Business ethics:** responses are unanimous in this area and the principle of zero tolerance appears as the only acceptable one to actively fight corruption, while training for everyone is seen as essential to reach an optimal level of compliance.
- **Environment:** acting on the materials required for road works, such as bitumen and aggregates, by setting higher recycling targets and by adopting circular economy principles, is a growing concern for stakeholders. It is seen as important to recycle more at work sites to reduce raw material consumption, limit the openings of new quarries, focus R&D on the post-fossil fuel future, and increase the volume of reclaimed asphalt pavement in mixes. In addition, respondents discussed working

on the moderation of energy consumption across all Colas business activities, thus reducing greenhouse gas emissions, the need to put in place studies looking at ways to reduce consumption or recover excess energy, raising the awareness of these issues among both management and employees in general and improving their effectiveness, and introducing innovative solutions for customers. Stakeholders taking part in the survey also showed a strong commitment to biodiversity issues.

As a result of this stakeholder dialogue, Colas restructured its corporate social responsibility approach around the following priorities: CSR governance; value chain and innovation; human capital; ethics and human rights; environment and carbon; local presence and adapting to local needs.

However, Colas considers that the following concerns do not raise material issues, due to the nature of its activities and its business model: food waste and food insecurity, animal welfare, and responsible, fair and sustainable food choices.

## 2.2.2. CSR governance

Stakeholder consultation has revealed a need to clarify who does what: the role of organizational silos, the setting of objectives, decentralization, risk, control and reporting, etc.

### 2.2.2.1. PRINCIPLE OF DELEGATION

Stakeholder consultation has shown that a balance must be struck between a corporate approach and decentralization, which ensures the best possible adaptation to local realities. CSR issues, including human rights, ethics, safety and the environment, tend to intensify this debate: although it is not acceptable to discount the cross-cultural relevance of certain universal principles, these principles cannot always be applied in the same way everywhere. For example, freedom of religion and corporate neutrality toward religion require distinctive approaches in their application, depending on the country. Similarly, the broad range of the Group's activities (production of materials of all kinds, road works and railway projects, water and energy distribution, construction and renovation of buildings, decontamination, etc.) necessarily leads to different approaches when it comes to the environment, safety, and so forth.

To settle this debate, Colas decided to refer to the principles of two recent French laws: the Sapin 2 law [(9)] and the duty of vigilance law [(10)]. These two new laws particularly require heads of large corporations to identify their major risks in the areas of ethics, safety, human rights and the environment, to define action plans, and to set up systems to monitor the implementation of these plans as part of a continuous improvement approach. This is a top-down, centralized and uniform responsibility, which cannot be delegated or tempered depending on circumstances. These two laws have introduced new initiatives, particularly at the level of Colas' parent company. This document includes a brief review of the main points at the start of the sections relating to compliance, safety, the environment, and human rights.

In all areas of CSR, it is relatively easy to distinguish the issues relating to the company's routine operations that can be delegated and adapted to local circumstances. To provide a framework for this delegation, Colas sets out general policies to maintain overall coherence and organizes the reporting of indicators and targets so as to monitor progress at its subsidiaries. These reports can in turn result in adjustments to the corporate policies in these areas. Adaptation to the areas where Colas operates is a core value in itself, and is also one of the strengths of its business model, as seen above in the evaluation of its intangible capital.

### 2.2.2.2. CSR ORGANIZATION

CSR cuts across all areas of the Group's operations and is supported by its main cross-business functions:

- functional and corporate control departments to disseminate and coordinate policy within subsidiaries: the Technical/R&D, Equipment, and Environment Departments; HR, Safety, Security, and Procurement Departments; Legal & Compliance Departments, etc.;
- a CSR Department within the Sustainability & Innovation Department (DDRI in French) to keep abreast of CSR-related developments, work with the relevant departments and entities to coordinate and manage the CSR approach and associated commitments, and organize reporting procedures (compiling CSR indicators and writing up the annual Non-Financial Performance Statement);
- a decision-making body: the Executive Management Committee, which is chaired by Colas' Chief Executive Officer and may delegate a portion of its work to specialized committees under its responsibility or that of general managers (examples include the Commitment Committee and the Country Risk Committee). The formal involvement of the Executive Management Committee is essential to ensure the participation of Colas' operational departments.

*(9) Sapin 2 law: Law no. 2016-1691 of December 9, 2016, which applies to worldwide operations and strengthens their obligations relating to transparency and anti-corruption measures.*

*(10) Duty of vigilance law: Law no. 2017-399 of March 27, 2017, which applies to worldwide operations and strengthens the responsibilities of parent companies in the areas of health and safety, the environment, and human rights.*

### 2.2.2.3. DIALOGUE WITH STAKEHOLDERS

Colas has a decentralized organizational structure, with operations in a wide range of businesses and geographic areas. Relations with stakeholders are many and varied. They take place at the corporate level when an overall approach is needed, but may also be pursued in a decentralized manner. The survey conducted via a crowdsourcing platform in 2019 showed the power of this type of tool in its ability to reveal the full range of viewpoints and in giving shape to discussions. However, as it is still difficult to engage with some external stakeholders using this type of tool, exchanges with them are pursued through extensive interviews. It is important to remember that Colas has a multitude of stakeholders, representing diverse perspectives, in some 50 countries, as a result of its very local business activities:

— more than 60,000 projects per year, with several million potentially impacted local residents and users;
— more than 800 construction business units and 3,000 materials production plants worldwide (quarries, emulsion plants, asphalt and ready-mix concrete plants, bitumen production plants);
— more than 150,000 suppliers and partners;
— more than 100,000 customers;
— nearly 55,000 employees.

At the same time, more targeted actions will continue to be pursued:

— in France, satisfaction surveys have been carried out among Colas' public and private sector customers. To date, over 9,000 questionnaires have been sent out, with an overall response rate of about 25%. With nearly 60% of our customers being Colas "ambassadors," the level of satisfaction is good, although naturally we still have room for improvement;
— Colas' Human Resources Department regularly surveys the Group's global workforce (Section 4, "Human capital");
— in certain scientific fields, Colas joins stakeholder communities, to assess the toxicity of bitumen fumes, for example, alongside government agencies, researchers, trade unions and joint collection bodies, and bitumen producers, or in support of biodiversity (via the Strategic Steering Committee of the FRB[11], a genuine forum bringing together nearly 200 stakeholders divided into five working groups), as described in the following sections, and takes part in technical forums on roads, railways, bitumen, etc.;
— dialogue with local residents, government agencies and elected officials concerning Colas' operating sites around the world is managed through a formal program (Section 7, "Local presence and adapting to local needs");
— Colas is also developing increasingly sophisticated digital tools for its projects, thus giving local communities and users the opportunity to engage in fully transparent dialogue with the project teams, and with the contracting customers and local authorities (Section 3, "Value chain and innovation").

### 2.2.2.4. TRANSPARENCY AND COMMUNICATION

It is not enough to merely gather opinions from stakeholders. They also need to be kept informed with complete transparency on all matters, including disappointing developments or those requiring remedial action. This Non-Financial Performance Statement is one of the outcomes of this renewed effort to promote transparency, fully in line with a long-standing practice at Colas, which has always favored day-to-day actions on the ground rather than flashy communications. In addition, various communication actions are carried out throughout the year to inform internal and external stakeholders:

— on the Group's corporate website, Colas presents all of its CSR commitments and has undertaken in-depth work on the experience and information offered to site users;
— active on social networks, Colas regularly highlights the CSR commitments and initiatives undertaken by the Group and its employees on sites in France and abroad. The internal social network, Yammer, is enriched on a daily basis as employees share their experiences and promote best practices. Digital communication is also a growing channel for fostering dialogue with all stakeholders;
— the in-house magazine *Routes,* which is distributed to Colas Group employees, as well as subsidiaries' in-house magazines (e.g. *L'Échangeur* in France), sharing strategy information within the Group and highlighting examples from around the world.

Lastly, to showcase its brand, in 2020 Colas set up a brand platform that reflects its core brand identity. Its mission – "Designing, building and maintaining sustainable transport infrastructure from our local roots, around the world" – illustrates the importance that employees place on understanding and taking into account the workforce-related, social and environmental expectations of all stakeholders in order to design and build high-quality, sustainable infrastructure suited to local needs and global priorities.

*(11) Foundation for Research in Biodiversity, a French organization that hosts the scientific secretariat of the French National Committee of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).*

## 2.2.3. Value chain and innovation

Meeting customer expectations is central to the Colas culture. All of the quality management approaches – ISO 9001, 6 Sigma, Operational Excellence, etc. – take into account the need for a value chain continuum effectively linking the customer to partners (suppliers, subcontractors, etc.), which results in the emergence of a genuine ecosystem, in which actors must align the quality of their offerings to reach the desired level of customer satisfaction. The quality of a company's products and services closely depends on the quality of the products and services it buys from upstream firms. This continuum actually extends further, because a customer's satisfaction often depends on the satisfaction of its own customers and stakeholders. As such, Colas focuses on the satisfaction of infrastructure users, the final consumers of its services, even if these users are not contractual stakeholders of Colas.

With respect to CSR, this concept of a business ecosystem has begun to take shape more clearly. A company can only meet the expectations of its stakeholders if it connects with and brings on board its entire ecosystem. This point is central to various national and international guidelines, such as the UN Global Compact, the French duty of vigilance law, international legislation on human rights, etc. In terms of ethics, this leads the Group to act in a way that ensures a high level of cohesiveness in its discourse and its behaviors, particularly from a contractual standpoint, with its customers and partners.

### 2.2.3.1. QUALITY AND CUSTOMER SATISFACTION

Colas' approach to quality is implemented in a number of different ways:

#### 2.2.2.3.1. Quality

Maintaining the quality of delivery of Colas' projects mainly depends on the work of subsidiaries' Technical Departments. This is a long-standing role for these teams, which has proven to be effective, reaffirming the technical skills and reliability of Colas wherever it operates.

Owing to the very local nature of Colas' businesses, the technical network is comprised of more than 1,000 employees. Their role is to respond quickly to problems faced by operating entities in the field on a day-to-day basis. They are supported by the Campus for Science and Technology (CST), located in the Paris region. Its responsibilities include technical support and high-level expertise on behalf of subsidiaries, the development of products and processes, as well as the integration of mobility solutions as part of infrastructure projects. Moreover, the CST also serves as a meeting point for all Colas know-how and coordinates the technical network.

The head of Colas' Technical/R&D Department supervises the continuous improvement of this network and has put in place an audit framework, in collaboration with Colas' Audit Department, to carry out controls and implement a formal monitoring procedure. To date, about 50% of operations worldwide have been audited. Within the European Union, many products, including aggregates, asphalt mix, asphalt binders, concrete and paint, are gradually being brought under the CE marking system, a quality assurance standard managed at Colas by the laboratories of its technical network.

Above and beyond this traditional approach to the quality of products and structures, the Technical/R&D Department monitors the safety of its structures exposed to stability risks as part of Colas' duty of vigilance, which may involve calculation notes, design specifications, or on-site monitoring of construction projects. In particular, this approach concerns extensive embankments, retaining walls, large engineering structures, and buildings.

#### 2.2.3.1.2. Operational excellence

In terms of management systems, the following approaches are being used at Colas:

- ISO 9001 systems, which are still very prevalent at certain subsidiaries;
- an approach put in place in Mainland France ten years ago to compile best practices for operational excellence and develop a system for sharing and disseminating them.

In both cases, the key to success rests in the direct adoption of the approach by operational managers rather than delegation to quality experts. Today, this commitment has made great strides, because operational executives have worked directly on the fine-tuning of the tools, which they have then adopted in their day-to-day work.

Over the past three years, overarching cross-business operational efficiency programs have been rolled out under the banner of the One Colas corporate plan, including in particular the following:

- One Colas Quarries, for aggregate-related activities: The objectives of this program are to optimize the portfolio of quarry sites, improve the performance of operations, increase the volume of sales, and develop new activities. This program is underpinned by an ambitious human resources component aimed at the 4,000 employees who work in these business areas;
- One Colas Bitumen, for bitumen-related activities: In an increasingly global bitumen market, the objectives of this program are to secure sources of supply and strengthen Colas' presence across the value chain: bitumen supply – transportation – warehousing – distribution – transformation. This program is supported by a cross-business organizational structure that is in the process of being put in place.

These two programs aim in particular to build a shared reference framework to be used at all operations worldwide to evaluate and improve performance.

At the end of 2020, on the occasion of the Winter Meeting that brought together 100 of the Group's senior executives, Colas' Chief Executive Officer launched the Group's new corporate plan based on CSR and Colas' eight new commitments to its stakeholders. The eight CSR commitments relate to the following themes:

— a commitment to integrate CSR into the business and, in particular, how we offer our customers and users solutions that meet the challenges of sustainable regional development;
— three CSR commitments directly related to Colas' activities in terms of the low carbon and biodiversity strategy, the circular economy, and reducing impact and improving acceptability;
— two CSR commitments to employees, particularly on how to attract, develop and retain talent through managerial excellence and health and safety;
— a commitment to responsible purchasing, or how to build a responsible supply chain founded on sustainable performance;
— a commitment to consolidating an exemplary culture of ethics and compliance.

### 2.2.3.1.3. BIM

Building Information Modeling (BIM) is gaining prominence as the universal language for building and infrastructure projects. A very powerful tool whose standardization is a vast project involving the participation of thousands of specialists around the world, BIM makes it possible to create a digital twin of the structure being built that is multi-dimensional (3D, costs, time, waste, nature of materials, etc.) and interoperable between all actors and all phases, whether they work in design, construction, maintenance, or even operations. It is bringing about a genuine digital transformation in the construction industry: governments and major private customers have not erred in promoting this new work process for their large projects. For Colas, BIM is becoming the universal tool of the construction and civil engineering sectors and the use of two-dimensional technical drawings will soon be a thing of the past.

This common language allows for the sharing and transmission of design methods and solutions everywhere in the world. In business lines for which local specificities protected actors in the past, BIM is the gateway to international standards. As a worldwide player, Colas must lead the way by embracing this technical transparency in its workplace ecosystems.

As part of this digital transformation, Colas is highly sensitive to the opportunity represented by BIM to improve collaboration between all of a project's stakeholders and to take better account of the uses of a structure throughout its entire life cycle. At Colas, the BIMbyCO team is developing cross-business solutions and promotes an open and collaborative perspective on BIM, which offers a real opportunity to curtail the far too frequent conflicts at work sites and optimize stakeholder satisfaction across multiple factors (costs, deadlines, ergonomics, safety, adaptation to users, upkeep, etc.). BIM is thus becoming an authentic shared management system.

The BIMbyCO team, which serves a dual role as mission control and proponent, develops the digital model and its associated processes for all Colas business lines in accordance with a central, global strategy, but also within the subsidiaries, thanks to a network of 35 correspondents. Initially, BIM was mainly used for building projects. During this early stage, Colas was a key player in extending its use for infrastructure, civil engineering structures such as railways, roads and pipelines, as well as decontamination and demolition projects.

Today, the team has expanded its areas of expertise to include City Information Modeling (CIM), which takes the intelligent modeling concepts of BIM to a broader level, in order to propose new uses and services to the various actors in a region, community or city, taking advantage of the same digital twin technology. Colas has thus entered into a partnership with the regional authority for Île-de-France, which aims to become Europe's first smart region, offering to lend its support for the joint development of uses for CIM. Lastly, the need to take better account of uses led Colas to test its new solutions using algorithms compatible with BIM, as is the case for the design of the Flowell dynamic luminous signaling solutions and urban heat islands.

This innovative work has been recognized with several prizes, and most recently the following:

— a *BIM d'Or* (gold) award in 2018 for the SRD refinery decontamination project in Dunkirk. This world-first application of BIM to subsoil issues was hailed for the quality of associated technical developments and the vision of collaborative transparency that was central to that development;
— a *BIM d'Argent* (silver) award in 2019, in partnership with Bouygues Construction, in the "Infrastructure Projects" category, for the upgrade of the Les Lavandes roundabout near Marseille-Provence Airport in the south of France. For this design-build project, a BIM agreement was put in place to define the objectives and roles of each participant. BIM has been embedded in all business processes to ensure interoperability and the proper compilation of models to create a composite one for the project. Project monitoring was also carried out using BIM, which facilitates the verifications of interconnections. Each business process had its own independent model and their compilation made coordination reviews more efficient. The new roundabout was delivered in March 2020;
— two *BIM d'Argent* (silver) awards in 2020: one in the innovation category, for the Flowell La Défense project using BIM for new uses (understanding luminous signaling thanks to virtual reality, simulation of vehicle and pedestrian flows, lighting scenarios, generative design to automatically model networks); the other in the international infrastructure category, for the Taza wind farm project in Morocco, an acculturation project for BIM infrastructure and its associated uses.

### 2.2.3.2. WHAT COLAS' CUSTOMERS EXPECT

Across the varied range of its businesses and despite the differing characteristics of the areas where it operates, Colas has noted that its customers, whether in the public or private sector and whether local or global, are conveying expectations with regard to the environment and society to an ever greater extent, and are increasingly addressing these concerns in the design of their projects and in their specifications. These expectations clearly express a demand for transport infrastructure to be better integrated into the living environment, particularly in urban areas (a desire for a more livable city where green spaces and alternative modes of transportation are not short-changed; a vision of the city as a complete ecosystem including water, waste recycling, biodiversity, etc.), beyond mere performance-based considerations for infrastructure.

Against this backdrop, customer demand for environmental engineering services is growing, such as the preservation or rehabilitation of natural habitats, restoration of degraded habitats, management of natural resources, management of ecosystem functions and services, reestablishment of ecological continuity, limiting land take impacts, combating invasive species, etc. (Section 6, "Environment and carbon").

The Group's public sector customers and local elected officials in particular are highly sensitive to the demands of local transport infrastructure users. Continuous improvement in road and rail safety is a major priority in which Colas has been investing for years to provide technical solutions, in particular via Aximum, its safety and signaling subsidiary. Colas has developed ANAIS, a solution that helps reduce the frequency of close-call traffic accidents. Colas has also developed digital traffic regulation tools, in particular for projects in urban locations (Réguly in Lyon) and on roads (Temps de Parcours, by Aximum), to lower the risk of accidents, achieve greater energy efficiency and curb greenhouse gas emissions.

Another priority is improving users' quality of life through better sharing of roadways between the various forms of mobility. As part of these efforts, in 2020 Colas was heavily involved in setting up so-called "corona paths" (bike paths introduced after the first lockdown for the Covid-19 pandemic), in particular in France, to support the growing popularity of green modes of transport. Colas is also developing Flowell, a dynamic road signaling system that enables roadway users to co-exist more successfully: installed on pedestrian crossings (at Mandelieu-la-Napoule), Flowell increases compliance with road markings by both pedestrians and motorists; used at intersections (Nantes, La Défense), it helps motorists better accommodate bus and cycle traffic.

Customers have not yet fully grasped the advantage of being most capable bidder from a CSR perspective when contracts are awarded, as being the lowest bidder always seems to prevail in decision-making. Colas also has very limited freedom to propose solutions that better meet these CSR challenges since, in most of the countries where it operates, it is prohibited from proposing alternatives to the basic solution described in public tenders and the purchasing departments of large contracting customers often follow a similar trend. That said, things have started to move in the right direction in France, where it is possible to propose modifications, albeit often limited ones and only for certain public contracts, while private sector customers are starting to become more receptive to these issues. In the United Kingdom, and more generally in countries with laws and regulations of British inspiration, the tradition for call for bids with performance criteria should also help give rise to bidding processes taking the total cost into account. However, budget constraints and a short-term vision often gain the upper hand and pose an obstacle to these generally healthy contractual developments.

The reticence among contracting authorities represents a major hurdle slowing the introduction of innovations in the mobility infrastructure sector. Even so, Colas has made a longstanding commitment to R&D in order to contribute to the development of the Company and the market, and to guide and support it. It has devised road construction products that offer a smaller environmental impact and lower greenhouse gas emissions (asphalt mix manufactured at a lower temperature), and has developed recycling solutions for these products to help conserve resources and limit journeys (on-site recycling). Demand for these solutions is still fairly limited in customers' tenders, but they are aligned with society's growing expectations, so it seems likely that they will gain momentum soon.

In addition to its range of products, Colas develops solutions that can help to reconfigure relationships with its stakeholders. Project design based on Building Information Modeling (BIM) is one such example, with the digital model being shared with the customer, project supervisor, and subcontractors to deliver a sharp focus on the project's priorities and ultimately move towards a collectively optimized design. Residents living next to worksites have not been forgotten, either. Local solutions can be implemented to keep them informed about worksite progress *(Hello Travaux)* or to share their experiences *(Osmose).*

### 2.2.3.3. RESEARCH AND DEVELOPMENT

Research is an integral part of Colas' DNA. It was the invention of a bitumen emulsion called "Cold Asphalt" 90 years ago that gave birth and name to Colas.

Building towards Colas' goal of developing innovative and sustainable mobility solutions, the Technical/R&D Department takes sustainable mobility products, techniques and infrastructure solutions from concept through to delivery via development and trials. In association with the Group's regional laboratories in every geographical region where Colas operates, the department's staff work at the Colas Campus for Science and Techniques in Magny-les-Hameaux in the Saclay cluster near Paris. Colas' key priorities in terms of R&D and innovation seek not only to meet the social expectations of customers and society in general but also to take into account the Group's environmental policy as regards its products, by favoring the use of more environmentally friendly techniques and substances. The Innovation Department aims to speed up transformation, by designing products and service technologies for longstanding solutions or for disruptive breakthroughs. These key differentiators help to unlock the full value of offerings. The solutions devised may enhance internal processes – helping to improve employee working conditions and safety, for example – while also optimizing operational performance.

### 2.2.3.3.1. Reduction in road accident statistics

Colas R&D works in a number of areas to respond to road safety challenges, in particular:

— producing a range of high-performance surfacing that provides better tire grip (textured and/or draining products to limit skidding effects in rainy weather or reduce braking distance);
— improving visibility (work on road markings in cold or wet weather and at night);
— manufacturing road safety equipment (Aximum safety and signaling subsidiary).

### 2.2.3.3.2. Noise

Efforts to curb noise pollution caused by road traffic have been one of the top research priorities for around 20 years. In particular, Colas has developed a range of acoustic mixes (Nanosoft and Rugosoft) for Colas customers' many different use cases, which has been rolled out in Mainland France, Overseas France and other European countries (Denmark, Switzerland, Croatia, etc.).

It has won multiple technical accolades over the years for the effectiveness of these products. Optimization of Nanosoft continued in 2020 through a research project led by the Group's Campus for Science and Techniques (CST), which aims to further enhance mechanical resilience with the use of bio-sourced additives and expand the range of situations in which Nanosoft can be employed. Colas has also been actively involved in the LIFE Cool & Low Noise Asphalt project led by the City of Paris, which aims first and foremost to cut heat and noise emissions, and to expand the operation city-wide and then across Europe.

In 2020, there was a very substantial increase of close to 30% in the tonnage produced of this type of asphalt mix (486,800 metric tons compared with 375,000 metric tons in 2019). Implementation of the third tranche of the government's Prevention of Noise in the Environment Plan, which aims to assess current noise pollution and to draw up local measures to reduce exposure in trouble spots, may partly account for this increase.

### 2.2.3.3.3. Adapting to climate change

In order to adapt to climate change and its constraints, Colas is developing new products by adjusting the formulations for existing products, experimenting with alternative binders and new materials, or implementing breakthrough ideas. Colas is continuing with a program of academic discussions on the phenomenon of urban heat islands (discussions have previously been held with Université Paris Diderot's LIED laboratory, Université Laval, the GeM laboratory in Saint-Nazaire and Cerema in Nantes; the Group is currently collaborating with Artois University under an agreement entered into two years ago on the thermal characterization of materials) to reveal the complex interactions and retroactions characterizing this phenomenon, which is a concern for all the world's major urban centers. Concurrently, Colas continues to conduct a rigorous experimental program to characterize the thermodynamic properties of building materials and is ready and willing to participate in the full-scale measurement and experimental programs launched by several municipal authorities. This is an area in which collaborative solutions spanning water management, integration of green spaces, big data, urban planning, materials science, human and social sciences can be developed – it represents one of the key building blocks of tomorrow's sustainable cities. Among its many projects, the Campus for Science and Techniques is working on surfacing materials with high draining power, able to absorb rainwater to a greater extent, thus contributing to urban cooling.

More generally, as Colas has locations in all the world's climates, it is able to transfer techniques and know-how already developed in warmer regions and areas that have long been prone to windstorms and hurricanes.

### 2.2.3.3.4. Green chemistry

Research is being carried out to optimize eco-friendly binders and surfactants by applying the 12 principles of "green chemistry" (12), notably by introducing bio-sourced components from forest and marine resources, reducing production temperatures and limiting greenhouse gas emissions. This work focuses on using waste and renewable raw materials that neither interfere with the production of human food (to avoid the risk of pushing up oil and cereal prices) nor undermine wild ecosystems (e.g. by deforesting for oil production): the problem is that just to replace bitumen with a binder derived from vegetable oil would require an area roughly equivalent to one-third of the European Union's total cultivated area. In addition, to reduce chemical risk Colas promotes and commissions toxicological characterizations on the products made using these alternative chemical technologies, for example to detect potentially harmful substances like endocrine disruptors.

*(12) As defined in 1998 by Paul T. Anastas of Yale University and John C. Warner of University of Massachusetts Boston.*

## 2.2.3.4. INNOVATIVE AND SUSTAINABLE SOLUTIONS FOR A BETTER LIVING ENVIRONMENT

Innovative solutions rolled out by Colas or being tested through pilot projects focus on improving the fluidity of traffic in cities, helping urban residents get around their cities more easily, particularly for green modes of transportation and addressing the issues faced by local authorities by taking energy and environmental constraints into account. These innovations thus improve the living environment and safety for city dwellers. Colas is also present in the urban transformation and urban greening markets to help meet a policy of curbing the growth in the surface area covered by new infrastructure. Mobility by Colas develops and offers practical and powerful digital solutions meeting new mobility requirements for local authorities as well as urban residents. One of the program's priorities is to favor multimodal solutions by optimizing existing infrastructure.

### 2.2.3.4.1. Wattway: photovoltaic road surfacing

Photovoltaic power generation is considered one of the main renewable energy solutions under the global energy transition, but it requires vast available surfaces exposed to the sun. This problem is particularly acute in densely populated or agriculture-heavy countries: roof surfaces alone are not enough to produce the power levels required, and solar farms, although highly efficient, run up against issues of competition for land use (agriculture, natural spaces and landscapes). With its innovative Wattway solution, Colas provides access to a sizable surface area, with the potential to meet some of a country's needs in terms of solar power without impeding other types of land use.

Presented to the media in 2015, Wattway was the winner of a Solutions Climat prize, presented at COP 21. The Solutions Climat jury, comprised of experts in resource efficiency and climate action, awarded Colas a Coup de Cœur award for large companies in the "Mitigation" category. Wattway is a patented French innovation, the fruit of five years of research by Colas and INES [(13)]. It is the world's first photovoltaic road surfacing solution that generates electricity from clean and renewable solar energy, while providing a safe surface for all vehicular traffic. Since the launch of this solar road solution, about 40 pilot projects around the world have demonstrated Wattway's robustness. These projects of various sizes have been developed to test multiple uses: powering street lights or urban furniture (in Mainland France and the United Kingdom), powering electric vehicle charging points, generating additional energy for buildings (offices, town halls, etc.) in France, Reunion Island, Canada, the United States, Japan and Luxembourg, and supplying energy to local power grids in France and the Netherlands. These experiments under real and highly varied conditions have resulted in further improvements in performance and resilience for the solution. In 2019, Colas began marketing Wattway Pack, the first step before the wider release, for large-scale applications, of this photovoltaic surfacing solution suitable for all types of vehicular traffic.

### 2.2.3.4.2. Flowell: dynamic signage for smart, modular roads

Flowell was created in 2017, harnessing Wattway technology. This is a dynamic, scalable and modular signage system that aims to optimize urban space, traffic flows, safety and the coexistence of multiple forms of transport. Flowell makes it possible to organize the shared space of roads and city streets thanks to a device based on dynamic control of light-emitting signage. Installed on existing roads, Flowell offers a great degree of flexibility and adapts the infrastructure to the needs of both urban and rural communities in real time. Flowell streamlines traffic on existing roadways by giving priority to certain users over specific time periods.

For example, communities can improve the visibility of bicycle crossings to ensure the safety of cyclists, turn parking spaces reserved in the daytime for deliveries into car parking spaces at night. They can also create temporary drop-off spaces around schools, and secure pedestrian crosswalks by enhancing their visibility and that of pedestrians with light-emitting markings. Several trial sites have been deployed to test the solution in real conditions. The goal is to benefit from the experience of communities and users as to the relevance of its applications, ease of use and integration in urban areas. For example, in Mandelieu-la-Napoule on the French Riviera, an intersection known to be hazardous was equipped with the solution. Driver behaviors were studied before installing the Flowell solution and measurements have been conducted since. A marked change was observed, with calmer driving, greater awareness of risks, and thus enhanced safety for pedestrians.

### 2.2.3.4.3. ANAIS: preventive road infrastructure management and road safety

ANAIS (for *Acquérir-Numériser-Analyser-Informer-Sécuriser,* or Acquire-Digitize-Analyze-Inform-Secure) is a made-to-measure solution intended for the authorities of relatively large areas (French administrative departments, Swiss cantons or US counties, for example) that enables them to anticipate maintenance needs for their road networks and optimize infrastructure costs. Built on preexisting preventive analysis methods for road networks such as SURE and ISRI, ANAIS adds a digital dimension. It is an innovative tool to support decision-making processes for the management of infrastructure. Data collected on near misses enables the geolocation of road sections in need of attention and continuous analysis measures the impact of works for the improvement of road safety. This service is currently being made available for the preventive management of the road network in France's Eure-et-Loir administrative department.

*(13) Institut National de l'Énergie Solaire (the French National Solar Energy Institute).*

#### 2.2.3.4.4. Moov'hub: a mobility service marketplace

Currently under development at the Paris-Saclay research campus, Moov'hub is an integrated digital solution for mobility services created by Colas that covers a range of needs, from permitting the dynamic management of urban parking to making traffic run more smoothly and addressing concerns raised by local authorities. The Paris-Saclay development authority, in partnership with the Paris-Saclay administrative entity, is one of the organizations testing the rollout of this shared and innovative service that combines mobility concepts and digital technologies. Moov'hub is first and foremost a smartphone application that allows users to obtain information in real time about the availability of public or private parking places as well as the associated services (fees, hours, electric charging stations, etc.), directions to reach a parking place meeting their needs, or suggestions for alternative mobility solutions in the event of traffic congestion, with the ability to pay for the selected means of transportation via this unique application. Moov'hub is thus designed for local authorities, giving them a tool for the regulation of public space, optimizing the management of unoccupied parking places and mobility flows in an urban environment.

#### 2.2.3.4.5. Qievo: management of large urban worksites

The proliferation of work sites in large metropolitan areas (new sustainable districts, installations of mobility infrastructure, etc.) is having a considerable impact on traffic and quality of life. Digital technologies can offer powerful solutions for reducing congestion in construction work zones and surrounding areas, while addressing issues relating to the acceptability of these work sites for urban residents. With Qievo, Colas aims to offer a complete and dynamic tool that gives users a real-time overview of logistics flows around work sites. This digital platform boasts a unique interface and has a dual objective: optimizing traffic flows entering and exiting work sites and limiting nuisances for local residents and users, by guiding trucks to follow specific routes, thus reducing traffic congestion. Qievo (under the Réguly brand name) is currently in use in Lyon's Part-Dieu district, where some 50 construction projects will be launched over the next five years to transform the services and living environment of this densely populated urban area surrounding one of France's main rail hubs. This service helped to save around 30 metric tons of $CO_2$ in 2020. In 2020, the program covered 25 worksites – all those in progress during the period.

### 2.2.3.5. GOVERNANCE OF INNOVATION AND PARTNERSHIPS

Since 2020, the Sustainability & Innovation Department (DDRI in French) has housed the environment, security, safety, quality, innovation, research and development, and institutional relations units. Close cooperation between these teams reflects the strength of the essential ties between CSR, innovation and operations. DDRI proposes, organizes and implements projects. The Executive Management Committee (CODG in French) is responsible for the governance of innovation, signing off on innovation and research priorities, ensuring contributions are received from entities in the field, monitoring ongoing developments and supervising progress against the targets set.

About a hundred innovation projects proposed by subsidiaries worldwide, focused on different areas, from improvements in working conditions for workers, energy efficiency, and transportation optimization to the use of digital technologies on work sites are now being coordinated at the level of the DDRI. Aside from monitoring progress, the DDRI also ensures that input and feedback from the potentially affected subsidiaries is being taken on board. An innovation roadmap was drawn up in 2020 featuring four major priorities: low-carbon solutions, sustainable mobility solutions, smart infrastructure, and digital solutions powering performance gains and new business.

At the corporate level Colas continues to develop numerous partnerships in France and around the world, to further build its knowledge and expertise, but also to adapt its business activities to tomorrow's challenges, in several areas:

- academic partnerships have been established with universities and schools (including the University of Birmingham in the United Kingdom, the University of Alberta in Canada, the École Centrale engineering school, Gustave Eiffel University, the Institut Mines-Telecom Lille, the ESTP French engineering and research graduate school, the University of Nantes and École Nationale de Chimie de Montpellier graduate chemistry school in France, MIT and Aston University in the United States, etc.), along with institutes and companies (such as Ineris, the French Alternative Energies and Atomic Energy Commission (CEA), ChemSud, and the Foundation for Research on Biodiversity (FRB), Arkema, Total, Peugeot, Valéo and Safran) for scientific or research and development projects;
- partnerships with innovation agencies are being developed:
  - with start-up incubators such as Via ID (innovative mobility solutions),
  - with start-ups in the context of innovation projects; examples include the partnership with RB3D to develop the ExoPush tool designed to make physical work easier, implementation of a high-volume data processing platform with Dawex, work with Wisebim in the development of the Grid2BIM solution, a platform which converts building permit utility plans into 3D-compatible models that can be integrated into construction site models, and work with Apilab and BeeOdiversity to protect the genetic diversity of bees and the use of beehives as a general bioindicator,
  - and more;
- partnerships with local authorities for experimentation, such as Colas' participation in the project being conducted by Sidewalk Labs (an Alphabet company) with the City of Toronto;
- partnerships with other large corporations in various industry sectors, which include several collaborative projects with Michelin, in areas such as recycling and future road uses, and with Volvo for the testing of technologies to enhance safety around machines used at work sites;
- partnerships with innovation or competitiveness clusters within the construction industry to move the sector forward in terms of digitization and the traceability of information, but also to work on digital and ecological transformation (Constructlab, Cap Digital) or conduct full-scale experiments to test innovative solutions (eLyon Euréka Confluence, Transpolis);

— partnerships with organizations developing standards like the French national research project MINnD to promote the use of BIM for infrastructure;
— partnerships with business foundations like Ferec (the Collective Research for Construction and Infrastructure Business Foundation), which supports research in the public works sector through its national and pan-European projects;
— and more.

## 2.2.3.6. RESPONSIBLE PURCHASING

As mentioned in the introduction, a company cannot view its corporate social responsibility uniquely as tied to its own operations. The right balance must be achieved between value chain partners who honor each other's specificities and autonomy in order to put in place a responsible upstream ecosystem. The keys to this kind of relationship are dialogue and the identification of essential CSR issues, so as to avoid getting bogged down by minor ones.

The responsible purchasing policy put in place by Colas is aligned with its overall corporate social responsibility policy. It is also pragmatic in its orientation and reflects Colas' various purchasing segments and its range of business activities, as well as its decentralized culture. This policy addresses the constraints involved in working with a very large number of suppliers (more than 145,000 direct suppliers), the risks associated with differing types of expenses depending on the region, and the potential for Colas to exert influence on its key suppliers. The aim is to establish a framework for the development of lasting and balanced relationships between Colas and its purchasing stakeholders.

The corporate social responsibility objectives to which the Colas Group's Procurement Department committed may be divided into the following three types:

### 2.2.3.6.1. Implementing a comprehensive approach to responsible purchasing

With regard to the development of the approach, the methodology applied in addressing CSR issues in the area of purchasing is to assess not only the net risks as a whole, but also those related to the duty of vigilance so that action plans may be put in place both in a global manner and in accordance with the specificities of the areas where Colas operates. This analysis is adapted to the various purchasing segments and their characteristics. The mapping of CSR purchasing risks at Group level was completed in 2020. This CSR purchasing risk map was sent to the purchasing function and country management teams in countries so they can adapt it to country level together with an action plan. The CSR aspects identified as material in the course of this mapping exercise will become an integral part of the Colas Group's Purchasing procedure.

To achieve balanced relations with suppliers, special importance is given to two subjects: economic dependence and payment periods.

With regard to economic dependence, Colas has asked its subsidiaries to carry out supplier risk assessments, as is the case for the transport of materials, where a driver uses their own truck and works mainly with one or more Colas profit centers in the same region. The process consists in reporting the information to the head of the subsidiary and the implementation of an action plan. This plan may result in no measures being applied for various reasons or in the identification of the actions needed to reduce the dependence. At present, no information system is in place across the Group that would allow for the detection of economic dependence, whether at the subsidiary, country or corporate level.

With regard to payment periods, the Finance and Accounting departments continue to work on a method to ensure that payments are triggered automatically when the invoice matches the order received. Some contracts are being reviewed to avoid discrepancies between the purchase order and the invoice. As an example, this is the case for equipment rentals: discounts are offered depending on the number of days of use, which may result in discrepancies between the purchase order and the invoice, leading to significant delays for payment. It is for this reason that the decision has been take to eliminate these discounts for contracts in Mainland France processed through the Purchasing information system. In line with the continued rollout of this information system, decisions will be taken on a country-by-country basis with the finance departments at subsidiaries. Digitization of the procure-to-pay process (formal acceptance of the order, receipt of supplies or equipment, electronic invoice and payment by transfer) is currently underway and should cut payment periods significantly.

Lastly, beginning in 2021, the implementation of Colas' responsible purchasing approach will be accompanied by the gradual introduction of follow-up indicators and performance indicators in conjunction with a specific information system. Some of these indicators will be used each year in the preparation of Colas' Non-Financial Performance Statement, such as the proportion of employees in the Purchasing function who have signed personal commitments and who have participated in ethics and compliance training. These indicators are tracked by the HR Department.

### 2.2.3.6.2. Capitalizing on existing initiatives

Today, Colas capitalizes on a number of existing initiatives in the area of responsible purchasing for the following fields:
— **energy:** Incorporation of electric vehicles in the Car Policy; consideration is being given as to how alternative energies might be used at asphalt plants (conversion from fuel oil to gas, bioenergies) and energy self-sufficiency projects; fixed sites in France will run on so-called green electricity from 2021;
— **materials:** Apart from bitumen, purchases of materials are carried out locally. By looking at the risks associated with these purchases as a whole (bitumen included), Colas will be able to determine its levers for action in working alongside suppliers to better take into account CSR criteria;

- **capital expenditure:** A CSR questionnaire has been set up by the Procurement Department and the Equipment Department, which will need to be completed by all suppliers involved in capital expenditure procurement processes in 2020. CSR criteria will be an integral part of the overall assessment of suppliers;
- **Bouygues Group's CSR Charter for Suppliers and Subcontractors:** This document is provided as part of all purchasing transactions, whether under framework agreements or entered into as single transactions. It is also included as part of the specific purchasing terms and conditions. It is therefore an appendix mentioned in contract clauses. It has been disseminated across all regions;
- **taking the carbon footprint into account in all bids for purchases of binder plants, asphalt mixing plants, trucks and other vehicles:** This issue is being examined by the Equipment Department and the Innovation Department. Further in-depth work on this issue will be formally agreed as part of Colas' carbon policy through coordination between all relevant Colas departments. Proactive policy for vehicles and total cost of ownership (TCO) under which the less fuel you consume, the higher your performance. Partnerships with equipment manufacturers to test machines powered by electricity rather than fossil fuels (e.g. excavators). A commitment to continue setting up partnerships with manufacturers to test new machines;
- **taking into account safety and quality of life in the workplace:** Partnership with Volvo and the École Polytechnique Fédérale de Lausanne (EPFL) to develop a "safety bubble" around site machines. Initiative with equipment rental providers in France to include exoskeletons in their range of accessible tools, thus contributing to the more widespread availability of these devices. Ergonomic assessment of drivers' cockpits in site machines, already in use at Colas Suisse;
- **workwear:** As part of the project to develop the Group's new work uniforms, launched in 2013, Colas focused on ensuring that the manufacturing processes for some of these uniforms met criteria for environmental protection, fair trade, ergonomics, labor relations, etc. (Fairtrade certification from Max Havelaar, non-GMO organic cotton fiber produced in Mali and grown without using toxic pesticides, social services provided to producers, fabric woven in ISO 14001-certified European plants, OEKO-TEX® Standard 100 dyes), all confirmed by audits to verify compliance. At the time, Colas was one of the main French purchasers of organic cotton, thus earning a certain reputation among external stakeholders. Today, the aim is to further strengthen this initiative, extending the approach to workwear manufactured for subsidiaries located in developing countries, notably including Madagascar and Morocco;
- **suppliers employing people with disabilities:** In France, Colas already works with many ESATs (organizations that ease the integration of people with disabilities into the mainstream labor market) and EAs (companies with special facilities to provide employment for people with disabilities). The aim is to capitalize on this experience to increase the volume of this activity in France and develop comparable approaches for other countries.

#### 2.2.3.6.3. Developing the professionalism of employees in the Purchasing function

This program has two separate components:

- the first component involves training for buyers. Every new hire in the Purchasing function signs up to clear commitments. Training courses in ethics and compliance, developed in collaboration with the Legal & Compliance Department, are delivered to all employees of the Purchasing function, irrespective of their level in the hierarchy. In 2021, a specific campaign will be set up to raise awareness and provide information on CSR, covering three main aspects: the overall principles of CSR and responsible purchasing, Colas' CSR policy, and responsible purchasing at Colas;
- the second component focuses on continuing internal collaboration across different teams, including those in the Safety, Technical/R&D, Environment, Legal and Equipment functions.

In late 2020, Colas formally agreed another purchasing-related commitment: "Build a responsible supply chain founded on sustainable performance" incorporates the following four priorities: train buyers in CSR and make them accountable for their decisions; build a CSR purchasing action plan in tandem with business lines and other CSR guidelines; monitor the CSR commitments and performance of suppliers/subcontractors; adhere to Colas' CSR commitments vis-à-vis its suppliers/ subcontractors.

## 2.2.4. Human capital

One Colas HR is a cross-business project under the One Colas program. The aim of this project is to hone the main policies and implement action plans for all Colas subsidiaries worldwide. It puts the Group's human resources strategy into practice by dividing it into seven main focus areas:

- **safety,** with the development of a safety culture on a global scale (Section 4.4, "Protecting employees");
- **ethics and compliance,** with reference to the Colas compliance policy, monitoring the adoption and observance of compliance programs in all countries where Colas operates (Section 4.3, "Developing skills");
- **values and commitments,** whose objectives are to promote managerial excellence and internationalize human resources management (Section 4.2, "Retaining employees");
- **human resources management,** anticipating future skills needs and supporting employee growth while respecting diversity (Section 4.1, "Attracting and integrating talent");
- **digital transformation,** to standardize human resources processes worldwide (Section 4.3, "Developing skills");
- **building the employer brand,** to make Colas a more attractive employer (Section 4.1, "Attracting and integrating talent");
- **expand knowledge sharing within the Group,** by developing platforms open to all employees worldwide (Section 4.3, "Developing skills").

Colas implements this strategy by rolling out a responsible labor relations policy across all regions where it operates, based around four priorities:

- **attract and integrate** new talent by surrounding itself with people who reflect the plurality of civil society (diversity in terms of culture, ethnicity, age, gender, initial training, etc.); preventing discrimination; implementing dynamic recruitment policies for future employees, work-based training students and interns; and championing gender equality in the workplace and in promotion opportunities;
- **retain** employees by implementing actions favoring quality of life in the workplace, ensuring a good work/life balance, offering appropriate compensation and employee benefits, and creating the right conditions for dialogue between employees and management;
- **develop** employees' skills in order to enhance their expertise and give them more responsibility, make them more employable and also enable Colas to improve its financial performance and anticipate changes in its activities;
- **protecting** employees is a key priority. Colas has set itself a zero-accident safety goal. Risk analysis and looking into causality in terms of health and safety allow it to establish appropriate and structured action plans and implement an approach based on continuous improvement to prevent accidents and illness, including those that are work related.

## 2.2.4.1. ATTRACTING AND INTEGRATING TALENT

Public works are traditionally a less attractive business sector than others that faces difficulties with recruiting staff regardless of the jobs on offer and the skills required. In light of this observation, which is mainly rooted in a lack of understanding of the activities involved and the industry's lackluster image, Colas pursues a proactive policy to attract up-and-coming talent, notably by promoting a strong and authentic employer brand and encouraging diversity in all its forms: the company must reflect the plurality of civil society, which is made up of people of all ages from a wide variety of cultural, ethnic and religious backgrounds, with varying levels of education and training, different modes of consumption, etc. In adapting to this reality, Colas is making it a key tenet of its approach to human capital and factoring it into its HR practices.

### 2.2.4.1.1. A dynamic strategy

The Human Resources Department endeavors to make Colas more attractive and diversify its sources of recruitment in order to benefit from a greater variety of backgrounds in a highly competitive climate.

#### 2.2.4.1.1.1. Hiring

##### France

The accolades received by Colas through surveys that rank employers (No. 2 among construction and civil engineering employers in the 2020 ranking of the best employers in France published by Capital and Statista – an improvement of two places compared to 2019) and its employees' pride in working for Colas are clear recruitment advantages for the Group.

Recruitment should be able to respond to needs relating to performing construction projects and the implementation of all Colas' functional and operational projects, no matter the level of activity.

In 2020, hiring was affected by the public health crisis. The requirements initially forecast at the beginning of the year, which reflected the business momentum nationwide just prior to the crisis, especially in the Paris region with the Grand Paris projects, were scaled down during the spring.

In general, Colas' recruitment strategy is supported in particular by its many partnerships with schools, which help build strong relationships with students, resulting in offers for internships, work-study positions, and ultimately full-time jobs. In 2020, in addition to developing relationships with engineering schools, university technology institutes and other two-year higher education programs in civil engineering, as well as institutions like Centre d'Égletons, a French civil engineering training school, Colas introduced or continued various initiatives to promote its employer brand, such as a schools ambassador program consisting of mixed pairs (one woman and one man). However, the public health crisis meant after-work events, sports tournaments and so on had to be cancelled.

In 2020, Colas continued to partner with the École des Ponts ParisTech, ENSAM, Centrale Lyon, and the École Supérieure d'Ingénieurs des Travaux de la Construction de Paris (ESITC Paris).

In addition, under the strict health protocol, which bans eating together with the students, the subsidiaries continue to hold site visits and get involved at schools in their local area.

In 2020, Colas hosted more than 800 interns (excluding final-year work/project internships). Of the 243 interns in the final year of their studies, around 35% were hired to full-time positions.

### Outside France

Colas continues to use a number of different recruitment channels, especially social media and websites given the public health crisis. Nonetheless, relationships with local profit centers, co-option and partnerships with schools continued where this was possible. As in France, subsidiaries maintained their ties with schools within the geographic area they cover.

For the Overseas France and Indian Ocean region, a campaign was launched in September to recruit final-year interns. All the regions sent in their internship vacancies, and these were then shared on Taleo, Colas' recruitment platform. The goal was for the region to recruit 21 final-year interns. As of end-December 2020, 10 people had already signed up to an internship.

In Africa, close relations have been established with various leading schools in the employment market, such as École Nationale Supérieure d'Arts et Métiers (ENSAM) in Morocco and École Nationale des Ingénieurs en Génie Civil in Benin, although efforts were put on hold in 2020 due to the public health crisis.

In Europe, the Covid-19 crisis has had a major impact in what is an already strained and competitive market in many countries. Talents are becoming scarcer and the usual events (most country subsidiaries take part in student fairs and benefit from partnerships with schools and universities) have been canceled. Networks were able to partly make up for this situation. As in France, Colas UK has maintained the emphasis on its apprenticeship policy.

In North America – both the United States and Canada – university campuses were closed as a result of the Covid-19 crisis but job forums have been kept going remotely.

| Name of indicator | Scope | 2019 (2) | 2020 |
|---|---|---|---|
| **External recruiting by status** (number) | World | | |
| Total France (Mainland + Overseas) | | 3,847 | 2,679 |
| – Managers | | 580 | 447 |
| – Office staff, technicians and supervisors | | 985 | 650 |
| – Workers | | 2,282 | 1,582 |
| International (1) (incl. New Caledonia) | | 18,610 | 15,202 |
| – Managers | | 3,530 | 2,536 |
| – Workers | | 15,080 | 12,666 |
| **Total** | | **22,457** | **17,881** |

*(1) Outside France, the total number of employees hired over the year is recognized, regardless of the nature of the employment relationship ("permanent" or "seasonal" employees).*
*(2) Not including data for Smac in 2019.*

| Name of indicator | Scope | 2019 (3) | 2020 |
|---|---|---|---|
| **Leavers by reason for leaving** (number) | France (Mainland + Overseas) | | |
| Number of leavers in France (under permanent contracts only) (1) | | 2,969 | 2,909 |
| – Redundancies (all reasons) | | 1,259 | 1,203 |
| – Mutually agreed terminations | | 306 | 412 |
| – Resignations | | 839 | 751 |
| – Other (retirement, death, termination or end of trial period) | | 565 | 543 |
| **Number of leavers outside France** (2) (all reasons and all statuses) | International (incl. New Caledonia) | 16,044 | 16,289 |
| **Number of departures** (all reasons and all statuses) | World | 19,679 | 19,964 |

*(1) In France, the total number of employees under permanent contracts who left over the year is recognized.*
*(2) Outside France, the total number of employees who left over the year is recognized, regardless of the nature of the employment contract or relationship ("permanent" or "seasonal" employees).*
*(3) Not including data for Smac in 2019.*

Colas' recruiting volume was down 20% in 2020 compared with 2019, severely impacted by the global public health crisis.

This decline related primarily to France, with a fall of 30%.

All job categories were impacted to a similar extent.

Outside France, the decline was less marked, mainly concerning workers (down by around 16%).

The volume of departures remained more or less the same as in 2019, both in France and outside France. In France, departures under mutually agreed termination increased in connection with the new organization of the Roads business, while resignations were down.

### 2.2.4.1.1.2. Workforce

Colas' workforce totaled 54,651 at December 31, 2020. However, it should be noted that this figure underrepresents a sizable segment of the workforce in North America, where a large proportion of workers have employment contracts that are suspended during the winter months.

| Name of indicator | Scope | 2019 [2] | 2020 |
|---|---|---|---|
| **Workforce by geographic location** [1] (number) | World | | |
| Total France (Mainland + Overseas) | | 30,981 | 29,835 |
| International | | | |
| – Europe (excluding France) | | 10,055 | 9,912 |
| – Indian Ocean/Africa/Middle East | | 6,840 | 6,140 |
| – North America | | 7,734 | 7,266 |
| – Asia-Pacific (incl. New Caledonia) | | 907 | 822 |
| – Central America/South America | | 520 | 676 |
| Total International | | 26,056 | 24,816 |
| **Total** | | **57,037** | **54,651** |

*(1) Workforce as of December 31, which corresponds to all individuals working under an employment contract of any type for a company within the scope of consolidation or receiving direct compensation for their work from said company, excluding those having entered into a business contract (such as a service agreement) with the company.*

*(2) Not including Smac's workforce in 2019.*

As of December 31, 2020, Colas' global workforce was down 4% with respect to end-2019.

The decline was more marked outside France, where it concerned all regions apart from Central America/South America, which carried on the increase seen in 2019 (launch of Colvias in Peru and acquisition of Asfalcura in Chile).

## 2.2.4.1.2. Employer brand

Colas employees all share the same values, the same culture and the same mission: to design, build and maintain sustainable transport infrastructures from their local network all over the world. Wherever they are located, they are backed by the Colas brand, which embodies the Group's identity.

In connection with the Group's new brand platform, the Colas employer brand responds to four main priorities: developing the Group's notoriety externally, its attractiveness, the applicant experience as well as the employee experience. Reflecting Colas' values of caring, sharing and daring, it aims to create a coherent link between external and internal stakeholders in order to attract applicants, retain and encourage the engagement of its employees and showcase the Group's strengths to partners and clients.

To boost brand awareness, Colas is developing its presence on social media. In 2020, the Group redefined its strategy by reviewing its editorial line in order to promote the Group's contributions, as well as streamlining the LinkedIn pages of road subsidiaries in Mainland France to create a unified approach. The main aim is to embody the rationale behind Colas' actions by demonstrating the positive impact of its activities on a social, societal and environmental level. Human resources managers also have tools to enhance their profile searches on LinkedIn, such as pipeline builder campaigns (help with contacting potential recruits) and webinars on how algorithms work.

For example, to help with recruiting graduates in Overseas France and the Indian Ocean region (see 4.1.1.1 "Hiring"), a book was put together presenting the Group's advantages, what it offers, photos of projects and the email address to send applications. The link to the book has been shared on LinkedIn and its contents have also been shared internally for other Colas subsidiaries.

This new approach has been accompanied by the launch of an employee advocacy program by means of the Sociable internal ambassadors platform. This is of interest in three levels: it makes Colas' messages more visible thanks to a network of ambassadors; it increases employees' visibility and credibility; and it trains employees in how to use social media to give them greater autonomy as well as improved skills. The program enables Colas to involve employees in its advocacy strategy and embody its aim of being the leading name in innovative and responsible transportation solutions.

Colas has also created #CeuxQuiNousRelient ("What links us"), a series of videos that allows employees to voice their opinions externally. With these testimonies, the campaign highlights employees' experiences based on the employer brand themes. The aim is to share what goes on behind the scenes at Colas, create a close relationship with applicants, reflect the Group's authenticity, culture and values, and reinforce employees' pride of belonging. These testimonies will be shown on Colas' social media as well as on the Group's future careers website, which will offer a uniform recruitment approach as well as a simplified application process via the ColasWay global human resources information system, currently in the process of being rolled out.

In order to present Colas' strengths to future graduates, a podcast on the theme of innovative and sustainable transportation has been created in partnership with JobTeaser, the leading website for young talent. Still with a view to attracting new talent, an "Internships and work-study" campus advertising campaign has been launched, including in particular video testimonies from young employees hired on permanent contracts at the end of their internship. In Overseas France, the new InMind app has been used by certain recruiters during forums to eliminate the need for paper CVs, digitize communications and circulate applications as best possible through the Group.

### 2.2.4.1.3. Diversity and preventing discrimination

Colas' two main priorities in terms of diversity are still gender equality and disability.

In 2020, action plans ground to a halt in France on March 16 due to the lockdown in relation to the Covid-19 pandemic, not picking up again until the autumn before another slowdown due to the development of the pandemic.

Against the backdrop of the public health crisis, furlough measures and lockdown, all awareness-raising actions were delicate at best and unacceptable at worst. However, action plans could be launched and projects were able to go ahead before mid-March and then resume in the fall.

| Name of indicator | Scope | 2019 | 2020 |
|---|---|---|---|
| **Workforce by age bracket** [1] (as %) | World | | |
| < 25 years old | | 6.7 | 6.0 |
| 25-34 years old | | 20.9 | 20.4 |
| 35-44 years old | | 26.3 | 26.6 |
| 45-54 years old | | 28.1 | 27.9 |
| 55 years old and up | | 18 | 19.1 |

*(1) All types of contract (permanent, temporary, seasonal); figures excluding – for 2019 – the Smac workforce.*

The distribution of ages across the Group is fairly even worldwide, comparable to 2019 levels.

#### 2.2.4.1.3.1. Measures to promote gender equality

The Gender Equality action plan is still in effect and maintains the same three objectives:

— **attracting talent:** The talent pool remains a key focus in the Group's business lines as a disproportionately low number of women study engineering, with even fewer pursuing careers in public works, and Colas cannot expect to attract them all. Against this backdrop, relations with schools have been rethought to target more women, now supporting an increasing number of cultural and artistic organizations (and not just team sports events). In France, the partnership with nonprofit *Elles Bougent* – which aims to bring more young women into scientific and technical professions by reaching out to them as early as junior high school – was renewed in 2020. This allowed Colas to take part in two Gender Equality forums at the start of the year: one in the Paris region and the other in Toulouse. However, the *Les sciences de l'ingénieur au féminin* (Women in Engineering) forum had to be canceled because of the public health crisis. These actions offer an opportunity to raise its profile among potential employees. On each occasion, these events involve the network of female sponsors and ambassadors, as well as female employee volunteers to promote their industry;

— **hiring more women in all business lines:** Colas is continuing with its efforts with a view to opening up its recruitment. Internal recruiters, temporary employment agencies and recruitment firms are regularly reminded of the principle that for all positions to be filled, both internally and externally, they need to put forward applicants of both sexes, particularly in supervisory roles;

— **retaining talented women and supporting their career development:** Colas is continuing with and enhancing the set of support measures put in place for its female employees. In 2020, 52 female employees were offered either a leadership development training course *(Leadership au féminin)* or a year of mentoring with a Colas or Bouygues manager, depending on their job level and requirements. In January, the first International Leadership event was held, a version of the French event specially tailored towards female employees outside France. Two sessions took place simultaneously, one in French and the other in English, so that the 24 participants were able to meet and talk in a relaxed atmosphere. The one-week program also gave them the opportunity to visit head office and meet the directors of their business lines. The participants welcomed this training week which, in addition to leadership, allowed them to develop their network and foster a strong sense of belonging to Colas. Given their success, these programs will run again in 2021, at least for female employees in Mainland France (with international travel remaining subject to the health situation).

In addition, Colas continued with the commitments made to respond to the expectations of members of the WE network, launched in late 2017 to combat sexism, break down gender stereotypes and create a more favorable environment for women to flourish professionally (suitable workwear, dedicated sanitary facilities, etc.). For example, in terms of fighting sexism, the campaign based on anecdotes collected and illustrated by Antoine Chereau in French and English continued at the start of the year. This campaign found its audience and is still on display around the world. In September, the Group got involved in a gender-inclusive race open to all worldwide: on October 10, 271 Colas employees in 15 different countries ran the SineQuaNon Run, a race to support gender equality and combat sexism. The event was covered by an internal communications campaign to showcase the commitment of participants all over the world working to make gender equality a reality.

In 2020, there was a huge variety of measures to promote gender equality depending on the Group's locations around the world.

In France, the law on the freedom to choose one's professional future introduced the obligation for companies to calculate a gender equality index beginning in 2019. For Colas, as of March 1, 2020, the calculation of this index, resulting in a score out of 100 based on five indicators, concerned in particular 17 companies with more than 250 employees. Nine of these companies achieved a score of 75 or more (the level below which an action plan must be put in place in collaboration with government authorities). The eight remaining companies were not able to calculate the index due to an insufficient number of eligible staff for the calculation of one of the indicators (the proportion of women among workers was not representative). Given the procedures for the calculation of the index, scores could therefore not be determined for these companies. Informed of this situation, the government authorities accepted this absence of scores.

In Overseas France, in Mayotte, an agreement on gender equality is in force that provides for actions in terms of recruitment, training/skills development and promotion. This topic is systematically addressed during mandatory annual negotiations. On Reunion Island, the effects of the gender equality agreement signed in 2017, based on quantitative indicators, are continuing to be seen with a more representative proportion of women. In addition, young people from all backgrounds and of all levels of qualifications continue to be welcomed.

In Mauritius, despite a context and culture less inclined to employ women, more female workers were seen on construction sites when activity resumed after Covid-19 and this resulted in the first two female workers being hired.

In Morocco, meetings were organized between Colas female engineers and female students to allow them to find out about the experiences of women who have made their career in the male-dominated world of science.

Subsidiaries in Southern Africa focus on promoting gender equality. An equal employment plan sets out specific targets for employing women, in particular black women (African and Indian). The “Colas Girls on the Move” project, scheduled for March 2020 to promote construction jobs and careers among female university students, was canceled due to Covid-19.

Gender equality is a key priority of the human resources policy at Colas UK, involving various actions such as organizing visits to girls’ schools or workshops to encourage our main suppliers to adopt the principles of diversity, equality and inclusion.

The Women’s Forum for Economy and Society was held remotely this year. 23 female employees of Colas in France and worldwide took part in these two days of meetings led by Bouygues SA. In addition to taking part in the forum, the delegation worked on ways of improving in the areas of inclusion, artificial intelligence and technology, as well as business, climate and health. A selection will be made in 2021 of the 18 proposals made and work will be done to roll these out within the Group’s various business lines.

| Name of indicator | Scope | 2019 | 2020 |
|---|---|---|---|
| **Workforce by gender** (1) | World | | |
| Women (%) | | 10.8 | 11.3 |
| Men (%) | | 89.2 | 88.7 |

*(1) All types of contract (permanent, temporary, seasonal); figures excluding – for 2019 – the Smac workforce.*

The percentage of women in the workforce rose by around 5% in 2020. The action plans rolled out are beginning to produce positive results.

| Name of indicator | Scope | 2019 | 2020 |
|---|---|---|---|
| **Representation of women at Colas** (1) | World (1) | | |
| – Female office staff, technicians and supervisors (3) (as % of total office staff, technicians and supervisors) | | 21.4 | 22.1 |
| – Female workers (3) (as % of total workers) | | 2.8 | 2.9 |
| **Female managers** (as % of total managers) (2) | | 10.4 | 9.6 |

*(1) All types of contract (permanent, temporary, seasonal); figures excluding – for 2019 – the Smac workforce.*
*(2) Number of women managers relative to the total number of managers.*
*In France, the “Female managers” category is based on employment code criteria, under which managers are defined as being at or above the level of department head (chef de service).*
*Outside France, the “Female managers” category is based on a concordance table according to a level of responsibility similar to that practiced in France.*
*(3) Staff = office staff, technicians and supervisors.*

Changes vary: while the percentage of female staff increased, the percentage of female workers is comparable to 2019.

The percentage of female managers, impacted in particular by a change in the counting methodology used for outside France, fell by around 8%.

### 2.2.4.1.3.2. Preventing discrimination

Despite a challenging year due to the consequences of the Covid-19 public health crisis, Colas continued to apply its Diversity policy and implement associated action plans, notably through presentations and awareness-raising activities: the National Diversity Committee continued to operate (with Diversity officers from subsidiaries in Mainland France); diversity content was included in manager training (University 2 training for managers, delivered at various stages of their careers); diversity articles were included in each edition of the e-RH newsletter (a quarterly e-mail newsletter sent out to over 33,000 employees worldwide, in French and English); a message was included in the in-house magazine *Routes,* which is distributed to Colas employees. In addition, a new anti-discrimination e-learning module, “Working Together for Diversity”, was developed and rolled out as mandatory training for all the Group’s managers in France (over 1,200 people), covering seven areas of discrimination (sex, age, national origin, disability, religious beliefs, union membership, and sexual orientation), with the aim of safeguarding against the risk of discrimination, even when it is the result of unconscious bias.

In France, partnership agreements were also signed locally with GEIQs (employer groups for integration and training) to help facilitate the employment process for people having trouble accessing the job market or returning to work. GEIQs directly hire individuals within these target groups and then make them available to member companies by organizing their schedules to alternate between theoretical training and on-the job work experience.

In addition, some entities in Mainland France have extended their involvement in the HOPE project (which helps refugees secure housing and find work), hosting refugees. Since 2018, the aim of this experimental program, developed by the French employment ministry in partnership with FNTP, Afpa, GEIQs and Pôle Emploi, has been to respond to the specific difficulties encountered by refugees on arriving in France. Each of them is able to benefit from French lessons, training in worksite prevention and an internship to learn about the company on the ground.

In the United Kingdom, Colas Ltd, which has “Be Fair” accreditation, is strongly committed to implementing a diversity policy and is involved in the professional reintegration of specific categories of individuals, including veterans, people with disabilities and the long-term unemployed. Over the past few months, a process has been kicked off with the aim of helping former offenders develop their job interview skills with a view to finding work.

In Canada, where harassment is considered as a form of discrimination, various policies have been put in place, such as the Harassment Awareness Policy, to fight discrimination and guarantee employees a more respectful work environment. Members of the WE Canada network have developed action plans based on training, mentoring, induction videos, use of indicators, etc.

In the United States, an anti-discrimination hotline was made available more widely, and the dual approach kicked off in 2019, including the WE USA women’s network fostering discussion, and participation in a forum for women engineers to facilitate their recruitment, continued.

### 2.2.4.1.3.3. Measures to employ and promote the social integration of people with disabilities

Colas continues to apply its policy promoting social integration for people with disabilities.

Its action plan is structured around three goals: recruiting people with disabilities; providing employee support to safeguard against the risk of unfitness for work; and expanding the use of sheltered employment organizations whenever possible.

In France, as regards recruitment, all job offers are posted on the Agefiph website and Colas works closely with local Cap Emploi offices. Human Resources managers, who have the closest contact with workers, are made aware of the risk of unfitness for work and how to safeguard against it (how to talk to employees about their difficulties; who to contact outside the Group to get help; what process to go through with Agefiph). In 2020, almost 270 Human Resources managers received awareness-raising training in this area, creating a network that is now available to employees, and in particular on-site workers.

While sheltered employment organizations are increasingly being used, there is still room for improvement. They were promoted further in 2020 to potential user areas such as General Services, Communications and Purchasing.

To help combat prejudice, disability and the right to talk about one’s difficulties are regularly covered in articles in the e-HR e-mail newsletter sent out to 33,000 employees worldwide in French and English, poster campaigns, and e-mail campaigns. A brochure has also been sent out to workers at their home address together with their pay slip: focused on workplace well-being, it offers support for anyone encountering disability-related difficulties.

As a result of the second lockdown, Disability Employment Month could not take place in November as planned, and was instead postponed until spring 2021.

In Overseas France, the specific culture of some areas means sensibilities vary. The GTOI subsidiary on Reunion Island stepped up its communication efforts, communicating directly with employees through its internal newsletter, informing all managers of the services offered by the island’s sheltered employment organization, and contacting temporary employment agencies to prioritize the recruitment of people with disabilities as soon as possible. It also personally contacted all redeployed employees and those on long-term leave to make them aware of their recognized status as workers with disabilities. In Mayotte, early morning meetings on the topic of disability are regularly held, with the involvement of Colas HR managers.

In the United Kingdom, disability initiatives at Colas Limited have resulted in the company being recognized as a benchmark employer since 2017, in particular, it has obtained "Be Fair" accreditation. The company was also asked to give a presentation on its approach to disability at an industry event (organized by Highways England).

| Name of indicator | Scope | 2019 [2] | 2020 |
|---|---|---|---|
| **Number of employees with disabilities** [1] | France (Mainland + Overseas) | 874 | 865 |
| **Number of new hires with disabilities** [1] | France (Mainland + Overseas) | 17 | 14 |
| **Revenue with companies that employ people with disabilities** (in euros) | France (Mainland + Overseas) | 1,801,102 | 1,224,644 |

(1) *Fixed-term and permanent contracts.*
(2) *Smac workforce not included for 2019.*

Various initiatives to hire people with disabilities were hindered by the Covid-19 crisis. As a result, indicators held steady, with the exception of revenue with companies in the sheltered employment sector, which declined by around 30%.

## 2.2.4.2. RETAINING EMPLOYEES

### 2.2.4.2.1. Organization of working time

Worldwide, the organization of working time takes into account the seasonal nature of the Group's transportation infrastructure construction and maintenance business. The topic of work-life balance generated many comments in the stakeholder consultation exercise.

In France (Mainland and Overseas), the preferred organization of working time is based on annualization and a fixed number of days worked. Annualization and the working time modulation plan – which apply to workers and office staff, technicians and supervisors in the Operations business line – mean that work can be organized according to seasonality, while rewarding overtime. In businesses like Railways and Road Safety & Signaling, where safety requires that work be carried out at night, specific procedures are used for the organization of work. The working hour arrangement applied to managers, which is based on a set number of days worked, is being gradually extended to supervisors. The tool used to manage working time and time off for employees whose working time is counted in days keeps track of days worked, rest days, and leave days on a monthly basis. It is also designed to facilitate ongoing dialogue between managers and employees about their workloads and the work-life balance. In Mainland France, subsidiaries use temporary employment agencies to fill short-term staffing requirements.

Outside France, the seasonal nature of business also has an impact on the organization of working time:

— in North America, projects are mainly carried out between April and November, with a large proportion of seasonal employees. In the United States and Canada, in many states, weather conditions mean that it is not possible to work on construction sites all months of the year. The approach to staffing is influenced by this seasonality: employees work at Colas business units for six to eight months of the year and are rehired from one year to the next. In Canada, working times during periods of activity are governed by provincial regulations and, for unionized workers, by collective bargaining agreements. A fatigue management policy is in place at most Canadian companies that tracks hours worked and rest periods;
— in Europe, working time is calculated on an annual basis in most countries, in line with the local legislation. This offers flexibility and makes it possible to concentrate work at the times of the year best suited to construction. At the end of the year or when new projects come in, subsidiaries and their business units publish a schedule of activity for the upcoming year and submit it to employee representatives. In other countries such as the Czech Republic, Austria, Denmark and Iceland, subsidiaries bring in seasonal staff at the busiest times of the year;
— in Africa, working time is geared to the legislation in force in each country. An overtime rate is paid for hours worked outside normal working times. On certain projects, employees are granted time off at the end of the month.

In certain countries, working times are adapted during the month of Ramadan.

| Name of indicator | Scope | 2019 | 2020 |
|---|---|---|---|
| **Employee working time arrangements** [1] (as %) | France (Mainland + Overseas) | | |
| – Hourly | | 79 | 78 |
| – Fixed number of days worked | | 21 | 22 |
| **Number of hours worked** [2] | World | 110,173,788 | 106,272,726 |

(1) *Fixed-term and permanent contracts.*
(2) *All types of contract (permanent, temporary, seasonal); figures excluding – for 2019 – the Smac workforce.*

The volume of hours worked fell 4% but remained noticeably high and close to 2019 levels despite lockdowns and business stoppages in a number of countries. It should be noted that this volume of hours worked does not include hours worked under short-time working arrangements.

### 2.2.4.2.2. Conditions for labor-management dialogue and agreements signed with employee representatives

Three major agreements were negotiated in Mainland France in 2020:

— an agreement dated April 3, 2020 on the organization of work during the Covid-19 crisis. The purpose of this agreement, which supplements the Bouygues Group agreement of March 27, 2020, was threefold: to agree Colas' public health standards – which go further than those in force across the construction and public works sector and are better suited to Colas' business lines – with trade unions and employee representatives; to determine concrete solutions in response to the decision by the public authorities to institute a lockdown in mid-March, both to avoid excessive use of short-time working and to prevent a loss of income for employees by using rest days and leave days, including by bringing them forward; and to prepare for and facilitate the resumption of activity through appropriate organizational arrangements (in terms of working hours, public holidays, etc.);

— an agreement dated August 6, 2020 on the mutually agreed termination of collective bargaining agreements (Roads business unit of Colas, Colas SA and Colas Digital Solutions): this agreement aims to adapt the functional organization of the Roads business unit of Colas by opening up the possibility of voluntary redundancy, which would be governed by a negotiated process that is more attractive than that provided for in ordinary law (statutes and collective bargaining agreements), with the deadline for employees to sign up brought forward to the final quarter of 2020;

— following the creation of Colas France, a memorandum of understanding formalizing decisions jointly agreed on October 29, 2020 with a view to introducing a single harmonized status for employees of that company with effect from January 1, 2021: the aim of this memorandum of understanding is to introduce a more or less uniform status as of January 1, 2021 covering all employees of the newly established company Colas France, formed from the six regional Colas companies, while seeking to ensure that the Company and its business units remain competitive. The aforementioned agreement, currently in the process of being finalized, will apply to approximately 20,000 employees and will mainly cover the status of workers (calculation of working hours over a full year, terms of employment, etc.) and a more meaningful status for superintendents, who are an essential link in Colas' organizational chain.

| Name of indicator | Scope | 2019 (1) | 2020 |
|---|---|---|---|
| **Turnout for latest elections for members of works councils or social and economic committees, employee representatives, or the combined works councils and employee representatives known as *délégations uniques du personnel*** (as %) | France | 84 | 84 |
| **Existence of a staff representative body (2)** (as%) | International | 77 | 76 |

(1) *Smac workforce not included for 2019.*
(2) *Number of companies with more than 300 employees at which there is a recognized interface for dialogue (either elected or designated) between management and local staff, divided by the total number of companies with more than 300 employees.*

In France (Mainland and Overseas) as of December 31, 2020, labor-management dialogue took place via 274 employee representative bodies, a lower number than the previous year due to the effective introduction of all CSEs (economic and social committees). Turnout for the latest elections remained high (around 84%).

Employee representation in Overseas France is organized the same way as in Mainland France, with meetings and/or committees and locally negotiated agreements. Labor-management dialogue is ongoing, notably in Mayotte, though the environment remains challenging there (it should be noted that an economic and social committee was set up in late 2019 and that two mandatory annual negotiation agreements were signed in 2020).

At the Group's International entities, and particularly in Europe and Africa, three-fourths of companies employing more than 300 people had staff representation comparable to that in France.

In Northern and Central Europe, the quality of labor-management dialogue is satisfactory in all countries thanks to employee representative bodies. In Slovakia, the main topic of dialogue is the ongoing restructuring.

At Colas UK, employee representatives have been meeting twice a year at information-sharing meetings. Other, more informal events are also held to bring together and dialogue with employees (charity events, celebrations of religious festivals, barbecues, etc.).

In North and West Africa, and particularly in Benin, Côte d'Ivoire and Gabon, dialogue is channeled through employee representatives. Other, more direct forms of employee communication have also been used such as notices, memoranda, mailings and meetings with employees.

In Southern Africa, labor-management dialogue – already challenging due to economic conditions and further aggravated by the Covid-19 crisis – is usually structured around several meetings a year as well as Affirmative Action Committees.

Labor-management dialogue is ongoing in New Caledonia in a historically strained social context thanks to close relationships and a quarterly brochure on developments at the subsidiary.

In Mauritius, a Welfare Committee of a dozen employees set up two years ago holds regular meetings with staff and seeks to involve the subsidiary in social and environmental activity (helping people in difficulty, giving blood, etc.).

In North America – both the United States and Canada – labor-management dialogue takes place via trade unions and industry bodies, with unions acting as a preferred channel for employee dialogue. However, Colas encourages all employees, both unionized and non-unionized, to engage in dialogue with management. In the United States, a remote support service is available to provide advice on ethical issues. The subsidiaries also hold staff information meetings to foster discussion on a variety of issues such as safety, ethics and so on, and to facilitate understanding at different levels of hierarchy within the company. In light of the Covid-19 crisis, wage agreements were rolled over without any changes to mitigate temporary difficulties organizing negotiations, which were pushed back to 2021.

In South America (Chile and Peru), labor-management dialogue takes place through periodic meetings.

| Name of indicator | Scope | 2019 (1) | 2020 |
|---|---|---|---|
| **Number of collective bargaining agreements negotiated, including mandatory annual negotiations** | France (Mainland + Overseas) | 113 | 49 |

*(1) Smac workforce not included for 2019.*

After an election year in 2019, Colas had fewer agreements to negotiate in 2020.

Of the 49 agreements negotiated in 2020, three relate to labor-management dialogue, 34 to compensation, employee benefits and collective agreements, six to organization and working hours, two to jobs and career management, and four to sundry issues including the Covid-19 crisis.

As regards freedom of association and the right to collective bargaining, since Colas does almost all its business in OECD countries, it has few operations in countries where there is a substantial threat to freedom of association or risks of discrimination or modern slavery. The Group also works with few subcontractors. Colas made a commitment to observe the United Nations' Universal Declaration of Human Rights and the ILO's fundamental principles (as per Article 2 of the Code of Ethics of Colas' parent company, Bouygues). To ensure compliance with these fundamental principles, Colas provides its employees with a copy of the Bouygues Group Code of Ethics and includes social and environmental criteria in its procurement policy. In developing countries where it established operations many years ago (in Madagascar, West Africa and central Africa, in particular), Colas is involved in health initiatives (to fight AIDS and malaria in particular) that cover employees, their families and local populations. In Madagascar and the Comoros, local labor codes comply with fundamental constitutional principles and international labor standards as laid down in ILO conventions and declarations. In the United States, many legislative texts (at federal, state and local level), such as the Fair Labor Standards Act (FLSC), the Occupational Safety and Health Act (OSHA) and the Family Medical Leave Act (FMLA), prohibit all forms of discrimination based on race, color, religion, sex, age, etc., and govern working conditions (minimum wage and safety conditions). In Canada, human rights, workplace equality and equity are governed by a similar system to that in place in the United States, with legislation at the federal and provincial levels (Employment Labour Code, Employment Standards Act, Accessibility for Ontarians with Disabilities Act, etc.). In the United Kingdom, anti-slavery legislation requires companies to publish an annual modern slavery statement highlighting steps taken to combat human trafficking. Under this legislation, the UK subsidiary of Colas Rail has committed to operate in a business environment free of slavery and human trafficking. The Group's sites in Ireland are subject to the Protection of Young Persons (Employment) Act 1996, which aims to protect the health of young workers and ensure that their education is not put at risk by work carried out during school years. In South Africa and Namibia, labor experts check that policies comply with both local and ILO standards.

Digital communication is also a growing channel for fostering dialogue with employees. The Yammer network was expanded with communities for employees working in the same business line, on the same project or in the same geographical area, both in France and abroad. The Colas Share knowledge management platform, launched in 2019, now has 17 expert communities and 21 sub-communities (in more specific areas of expertise). During the Covid-19 crisis, it was updated with various materials on the topic of protecting employees' health. The My Colas employee portal, also rolled out in 2019 to office staff, technicians, supervisors and managers at all Colas entities in Mainland France (totaling around 13,000 employees), is regularly updated and is currently being rolled out in Overseas France ahead of a phased international rollout. It offers a more interactive, personalized experience for employees, notably thanks to new HR services such as a digital safe, self-service options (annual leave and HR) and communication spaces (based around the Yammer network and an in-house magazine). Social media are also a key communication channel (see the "Employer brand" section).

### 2.2.4.2.3. Agreement relating to quality of life at work

Rollout of the agreement relating to quality of life at work, signed in December 2017, continues. The agreement, which covers all subsidiaries in Mainland France, underscores Colas' desire to put in place measures to help employees achieve a healthy work-life balance. These measures relate to work organization, support for parents and assistance for employees who are caregivers.

This agreement provides for the development of remote working in the form of weekly (one or two "fixed" days per week) and monthly remote working formats (with quotas of between four and eight days per month), with the option for employees to fulfil their remote working quotas either from home or from a Colas site. Roles and activities that must by nature be performed on business premises, due to either the equipment used or the need for a physical presence, are not eligible for this type of working arrangement. By definition, given the specific nature of activities inherent to construction sites, depots, workshops, quarries and industrial sites, and the interdependence between such sites, Workers are in principle not eligible for this type of working arrangement. Remote working expanded in 2020 as a result of the public health crisis, with 327 employees working remotely at year-end 2020. New tools explaining how to work or manage teams remotely were developed to help employees navigate this transition. However, occasional remote working – a more flexible form of working remotely – remains better suited to the work of operational managers.

The agreement also provides for the following:

— help with children's homework, with free and unlimited access to a tutoring platform that is available 24/7 (from kindergarten to high school, as well as various trade certifications) and provides access to "online teachers". This homework and tutoring service with online teachers experienced rapid growth and came into its own during lockdown, with employees relying on the platform to help home-school their children;
— childcare through a personal and household services platform (babysitters, emergency childcare, shared childcare and out-of-school childcare) as well as pet-sitting and home services;
— the option of transferring some unused days off to the Bouygues PERCO and/or PEG company savings plans;
— support for employees who are caregivers, in partnership with PROBTP (a communications campaign on new government measures planned for late 2020 was pushed back to early 2021);
— the "My Family Solutions" information portal (launched in June 2019), which aims to simplify employees' day-to-day lives by offering legal and administrative assistance.

One of the key developments in 2020 was the impact of the Covid-19 public health crisis on working conditions. As soon as authorities in France and many other countries announced a lockdown, various HR processes and communication tools were rolled out to keep all employees informed of pandemic-related news and advise them of steps to be taken to protect staff at production sites and in offices. The Communications Department used mailings, text messages and social media posts to put out memos, videos from the Chief Executive and Covid-19 newsflashes (five editions for France and two World editions) with the twofold aim of staying in touch with employees during the crisis and preparing for activity to resume. A dedicated e-mail address was also set up to respond to employee questions. The Health, Safety and Environment Department published a Colas Group Covid Kit, including five guides aimed at different stakeholders (and nine posters) to help them organize Covid starter meetings where applicable both in France and abroad. These guides established more stringent safety measures than those laid down in France by, for example, the Government and the industry, in particular the OPPBTP (the French professional agency for risk prevention in building and civil engineering). As an example, the guides introduced the requirement to wear face masks on construction sites as early as April 11, 2020. Employee representatives were involved in implementing measures. The Human Resources Department established rules governing leave, absence and pay, putting in place schedules, procedures and pay arrangements suited to the situation. The Procurement Department ordered face masks, hand sanitizer, wipes and other protective equipment as early as March with a view to activity on sites resuming in April. Superintendents, trade unions and employee representatives, and managers implemented these measures at all sites.

### 2.2.4.2.4. Compensation and changes in compensation

Like Bouygues, Colas' compensation policy is to ensure that all employees worldwide receive total compensation that is fair and appropriate to the specific characteristics of each activity, employee profile and geographical region, and to give employees a stake in the Group's results.

Colas' policy is based on the annual guidelines issued at the end of October by the HR Department, taking into account the economic environment, inflation, the job market and wage negotiations with trade unions and employee representatives. This policy keeps jobs aligned with responsibilities, with attention to equity between men and women, and includes measures for young people, talent management, and promotions. It rewards achievement and is applied at the individual level. It is a key driver of development and performance that recognizes employees' skills and aims to reward those who achieve or exceed individual and shared targets.

This pay policy is adapted in each individual country taking into account the economic environment, the unemployment rate, local inflation and labor market conditions in the public works sector.

In France (both Mainland and Overseas), where the market is recovering, with inflation at 1.1% in 2019, the decision was made to allocate a pay increase budget of 3.0% of payroll on a present/present basis (i.e. for employees present over the period from January 1 of year Y-1 to January 1 of year Y) on January 1, 2020. The variable compensation policy applied by Colas is based on the overall performance of all its entities in France and around the world. The amount paid out by subsidiaries is based on three criteria: Colas' operating profit/(loss), that of the subsidiary and individual performances related to the year's objectives. Variable compensation paid to executives and managers is more impacted than that paid to supervisory staff by the entity's financial performance and meeting personal targets. Compensation paid to the Chairman and to the Chief Executive Officer consists of a variable portion linked to financial performance and certain CSR indicators (Prevention and Environment). Every manager is provided with a pay review tool, plus relevant performance indicators. Managers are thus given all the information they need to review their team's pay levels and can submit their proposals with a single click to the subsidiary's validator and then to Colas' headquarters for approval. This information system constitutes a management monitoring tool that provides traceability, efficiency and a seamless approach to employee career management. It should be noted that the compensation policy in Overseas France is the same as in Mainland France, except in Mayotte, where the French Labor Code entered into force on January 1, 2018, resulting in changes in the amount and structure of compensation. In line with the overall compensation policy applied by the Bouygues Group, Colas provides employees with very good levels of health insurance, pension benefits and personal risk coverage and allows employees to share in profits by giving them access to the Bouygues PEG *(Plan d'Épargne Groupe)* and PERCO *(Plan d'Épargne Retraite Collectif)* employee savings vehicles and profit-sharing plans.

In the United States, the pay policy is based on local pay surveys, given the regional differences between its units in western states (Alaska, California, Colorado), central states (Wyoming, South Dakota, Nebraska, Ohio, Arkansas, Missouri, Illinois), and eastern states (Florida, Georgia, South Carolina, Virginia, Pennsylvania, New York). As a result, its employees can be paid at a level in line with the local market. Since 2017, US subsidiaries have been using Pathways (now named Colasway) to manage pay more efficiently and fairly.

In Canada, Colas sets pay levels on the basis of local collective bargaining agreements, particularly in Quebec and Ontario. For unionized employees, pay is set through the collective bargaining arrangements applicable to their businesses. A Covid-19 bonus of 400 Canadian dollars was paid to employees of all subsidiaries in October 2020.

In Northern and Central Europe, pay policy is also informed by local surveys to keep in step with local market practices and retain key talent, particularly in tight labor markets (the United Kingdom, Hungary and Switzerland).

In Africa, the Group's subsidiaries in Morocco, Côte d'Ivoire, Benin, Senegal and Gabon rely on a market benchmark produced by Mercer for each country covering best practice among similar-sized companies operating in the same industry sector. The pay process has been reviewed to better reward performance and ensure internal equity. Having initially focused on pay (salary and bonuses), this work is now looking at employee benefits. In South Africa and Namibia, salaries are rebased in line with local collective bargaining agreements.

| Name of indicator | Scope | 2019 | 2020 (2) | Change |
|---|---|---|---|---|
| **Average annual wages by status** (1) (in euros) | France (Mainland + Overseas) | | | |
| – Managers | | 63,316 | 63,778 | 0.7% |
| – Office staff, technicians and supervisors | | 38,492 | 38,914 | 1.1% |
| – Workers | | 27,701 | 28,399 | 2.5% |

*(1) Permanent contracts.*
*(2) Smac wages not included for 2019.*

Average annual wages in France have seen steady year-on-year growth. It should be noted that pay has risen across all categories, though more specifically for workers and, to a lesser extent, middle management.

## 2.2.4.3. DEVELOPING SKILLS

Continuous improvement is a core principle of employee policy at Colas, which aims to foster employees' social and economic development. The concept of social mobility [14] has traditionally been embedded in the construction and public works sector. This entails, for employees, enhanced skills and improved organizational arrangements, enabling them to grow personally, boost their employability [15], enjoy improved quality of life at the workplace and find meaning and interest in their work, and for the business, a tailored and enhanced skills base resulting in greater agility and a competitive edge.

### 2.2.4.3.1. Career management

The mobility policy pursued by Colas has long been a key element in its approach to career development for the Group's employees. It aims to facilitate transfers between different functions and/or regions within the Colas Group to help meet employees' professional and/or personal goals and the staffing requirements of the business. One of the challenges of this policy is making the development of talent fit Colas' performance and growth.

Transfers between subsidiaries/countries or within subsidiaries/countries concern all employees both in France and abroad. The key principles are presented in the Colas Mobility Charter, which is available on the e-colas intranet. It states specifically that the process for each transfer should be based on a partnership between the employee, the manager and the Human Resources Department. It also indicates that special arrangements should be put in place to assist with transfers, which includes expatriate assignments and secondments, as well as outright transfers.

These mobility support measures evolved in 2020, with a new procedural memo issued and a Mobility Guide published for employees transferred in Mainland France. These measures, which are clearer, more transparent and better suited to the personal and professional needs of employees and their family, also address factors that can hamper mobility, such as a spouse's job and housing costs. They now include a common set of assistance packages (including moving costs, contribution towards the cost of finding a new home, etc.), plus specific and optional forms of financial assistance that may vary according to employee status.

To boost the visibility of these mobility support measures and make them more accessible to employees, a link has been added to the My Colas page linking directly to the colasandme.com mobility site, which contains detailed information and links to jobs boards Nomades, which displays Colas Group job offers, and Mobyclic, the Bouygues Group jobs platform. Subsidiaries – particularly those outside France – often have their own information tools about the opportunities available to employees. For example, Canada's "Colas Leadership Rotational Development Program", revised in 2020, encourages mobility.

*(14) Social mobility: Where a business line or company helps its employees develop both socially and economically.*
*(15) Employability: Ability to acquire and maintain the skills needed to find or hold onto a job.*

The study into key jobs initiated in 2018 also continued, in cooperation with the Group's subsidiaries, leading to the development in 2020 of the first global jobs reference framework (in French and English) setting out key jobs and associated skills in each business area. This framework, shared on the ColasShare knowledge management platform accessible to managers and staff, provides better visibility with regard to possible career paths and thus allows for improved career planning, particularly in the context of job transfers. This jobs and skills framework is also used in preparing for the digital annual performance appraisal, the first round of which runs from October 5, 2020 to March 31, 2021 and initially covers all managers in Mainland and Overseas France. Development plans will be put in place informed by employee self-assessment and manager assessment of skills, thus contributing to the gradual implementation of a career management policy.

Through the "One Colas" corporate plan, the Group's Executive Management has reaffirmed its desire to internationalize Colas' talent base by recruiting staff from international backgrounds, offering career development guidance to Colas employees worldwide, and promoting career mobility between different geographical regions.

"Careers Committees" are now firmly established within subsidiaries' and countries' practices. They provide a forum for thinking about how best to develop and support talented individuals, as well as facilitating succession planning for key Colas managers and identifying new talent each year.

In Overseas France, the HR Department and managers on Reunion Island hold in-depth HR reviews at least twice a year, taking into account individual analysis, development prospects and replacement tables. The Reunion Island subsidiary has also launched an online business skills assessment platform (PREPS Compétences). In 2021, the platform is set to be populated by on-site clerical, technical and supervisory staff and workers.

### 2.2.4.3.2. Integration of young managers

In France, some young managers joining Colas complete an on-the-ground integration program, for example allowing young construction engineers to train alongside teams on construction sites before gradually being given responsibility.

The "Tour de France" scheme offers new joiners three to four stages at different subsidiaries, or even a tour of the region within the same subsidiary. In 2020, 30 Tour de France posts were available. Consideration is being given to whether some of these stages could be completed outside Mainland France.

New managers then take the first Colas University seminar, usually during their second year with the Group. The aim is to develop autonomy, responsibility, teamwork, knowledge of Colas, cooperation and integration. Career development towards management responsibilities is then achieved rapidly within the Group's various business lines.

Efforts to integrate young people are also reflected by hires under the International Volunteers in Business [16] ("VIE") program in technical roles as well as support and management control functions; a total of 13 young people were integrated in 2020.

As regards Overseas France, in Mayotte several partnerships have been entered into with apprenticeship training centers, while on Reunion Island a number of employees serve as part-time lecturers teaching a range of disciplines at universities and other educational organizations, enabling the subsidiary to maintain a high volume of work-based training students.

### 2.2.4.3.3. Training policies

Colas has a policy of investing in training, supported in each subsidiary by training or skills development plans, which are formalized at 99% of locations. These plans put into action the development priorities set by Colas' Human Resources Department, notably as regards safety and prevention training, which represents the number one category of investment in training, but also training in technical fundamentals and management skills. In addition to these Group policies, the subsidiaries have their own training strategies designed to respond to more local and/or context-specific needs.

Colas' Training Department is extending its international reach, notably through its digital content distribution platform (the Colas Campus learning management system) and its project to create a "World" corporate training offering. The aim is to offer all Group employees opportunities to develop consistent, high-quality skills aligned with their expectations, irrespective of where they work.

In 2020, the One Colas Excellence offering of tutorials was rolled out to more than 30,000 employees connected to Colas Campus. This training program consists of nearly 25 video modules focusing on operational excellence and aimed at strengthening technical expertise and mastering key site processes, notably in connection with asphalt mix, earthworks and surface dressings. In a similar vein, a module covering on-site waste management has been rolled out worldwide through the Colas Campus intranet.

It is not only digital training content that is being rolled out internationally. Colas' international face-to-face training offering is also expanding. For example, the Women's Leadership course welcomed its first international intake of around 15 Group managers from a variety of backgrounds.

Furthermore, Colas will soon be ready to launch its brand new English University program, which aims to offer the Group's non-French-speaking Directors an equivalent level of training to Colas University Phase 3. Unfortunately, the course was not able to run last year due to the public health crisis.

*(16) International Volunteers in Business ("VIE") is a French government scheme that enables participants, under certain conditions, to undertake an assignment (which may be scientific, technical, commercial, humanitarian, etc.) at a French firm located abroad. Applicants must be aged between 18 and 28. VIE postings are paid.*

As regards prevention and safety, the One Safety project in conjunction with Dupont Sustainable Solutions continues to run. In 2019, more than 800 employees received training through this program, which aims to embed a safety culture across Colas. Around 2,000 employees were trained in 2020, with a total target of 9,000 by year-end 2021. The plan had been to train an additional 4,600 employees.

### 2.2.4.3.3.1. France

Across the whole of Mainland France, 3.82% of total payroll was invested in training, corresponding to 30,293 training actions and 440,709 training hours (N.B. quoted training figures are for 2019). Total training actions and training hours decreased relative to 2018, mainly due to the deconsolidation of SMAC (sold in 2019).

In 2019, the four Colas University courses had 380 participants, guiding them through the key stages of their professional development. Of these, 88 came from international subsidiaries.

Many training courses had to be pushed back from 2020 to 2021 due to the impossibility of holding training sessions during lockdown.

Prevention and safety training made up 54.8% of total training hours. The second most common area of training (15.1%) was general training related to the Group's specialized activities (for superintendents, works managers, team leaders, etc.). Colas also made a significant contribution to boosting the technical expertise of its staff (10.5% of training hours).

Breaking down training hours by status, 51% of training hours were delivered to workers, 25% to office staff, technicians and supervisors and 24% to engineers and managers. This breakdown is the same as that in previous years.

As regards Overseas France, training for superintendents and team leaders was organized in Guadeloupe. These sessions, kicked off in 2019 in partnership with the Egletons continuing education center, aim to develop employees' skills over a two-year period. The training is designed to improve and consolidate team leaders' responsibility for equipment, health and safety rules and operating methods. On Reunion Island, a dedicated course on business line fundamentals and operational excellence has been run mainly for superintendents (construction, civil engineering and public works) to develop their awareness of empowerment, management, communication and behavior in the areas of health and safety, the environment and the financial aspect.

### 2.2.4.3.3.2. International

The main international training projects are as follows:

In the United States, after kicking off work in 2015, Branscome rolled out a specific training program to embed the Group's safety culture in conjunction with Caterpillar. The program includes comprehensive training for the Executive Steering Committee, professional training for three in-house trainers specializing in safety, and the development of dedicated courses for each category of employees. On ethical issues, an online training system to improve knowledge of compliance rules was rolled out via the PathWays training platform. Furthermore, preparations were made at Delta to roll out a major leadership training program aimed at local management (Development Supervisor Training) but had to be put on standby due to the Covid-19 crisis. Despite the pandemic, an overall offering of more than 4,000 online training sessions was made available to all employees of US subsidiaries.

In Canada, as well as the already extensive range of training historically offered by Colas Canada Training, various training academies or "institutes" have been established at subsidiaries such as McAsphalt (McAsphalt Institute of Training) and Miller (Miller Institute of Excellence), highlighting the fact that developing employees' skills remains a key priority in the region. Moreover, to help managers handle the Covid-19 crisis, Miller offered virtual "Covid-19 Resources and Toolkit for Leaders" training explaining the new working environment.

In the BIMEA (British Islands, Middle East and Africa) region, Colas Middle East hosted Colas University's "Management and Leadership in a Changing World" module in Dubai in October 2019 and ran skills assessment training workshops as part of a skills review kicked off in the region. Colas Ireland rolled out the "Colas Ireland Internal Sprayer Driver Training" program. In South Africa and East Africa, there has been a significant push in the area of training dedicated to new technologies and techniques affecting Colas' core activities (basic road construction techniques, bitumen and even safety).

In Europe, Colas Poland launched a workshop on effectiveness and energy management. The program mainly covers professional effectiveness, stress management and attitudes to change. Colas Denmark ran its first "Asphalt School" in conjunction with professional association Asphalt, one of Denmark's main trade unions (3F) and leading Danish companies in the sector. The aim of this school is to ensure that all employees working in these areas receive basic training, particularly in Danish and mathematics but also in other essential subjects such as IT and English.

Lastly, APIL University (set up in 2017 and aimed at senior managers) welcomed a new intake last year made up of employees from various Group countries. Each country has launched its own leadership academy to support managers.

| Name of indicator [1] | Scope | 2018 | 2019 |
|---|---|---|---|
| **Existence of a formal training plan** [2] (as %) | World | 99 | 99 |
| **Number of employees trained** | World | 37,608 | 37,937 |
| **Number of days of training** | World | 114,904 | 111,426 |
| **Number of people under apprenticeship contracts taken on during the year** | France | 566 | 477 |
| **Number of people under vocational training contracts taken on during the year** | France | 261 | 142 |

(1) *Figures related to training are consolidated in fiscal year Y for the period Y-1. They do not take into account information concerning SMAC for 2018.*
(2) *Outside France, this refers to the number of companies with more than 300 employees where a training plan exists.*

In 2019, more than two-thirds of Colas employees worldwide received training and a total of 111,426 days of training were delivered across all Colas companies.

## 2.2.4.4. PROTECTING EMPLOYEES

An employer's first duty is to look out for its employees' physical and mental integrity. Colas' activities are potentially hazardous, particularly when undertaken in areas where there is live traffic. Conversely, reducing risks relating to health and accidents is good for families and society in general, thus generating positive externalities [17]. With the aim of developing a health and safety culture across all its jobsites and materials production sites around the world, Colas has identified two areas of focus:

- workplace health and safety: taking into account all known types of chronic or accidental risk (risks related to collisions between machinery and pedestrians, traffic, consignment/deconsignment, working at height, lifting activities, excavation, work carried out near grids, noise, dust, bad weather, exposure to chemicals, use of hazardous tools and machinery, psychosocial issues, drugs and alcohol, musculoskeletal disorders, etc.) as well as carrying out ongoing monitoring of emerging risks;
- road safety: since its main activity is the construction and maintenance of all types of road infrastructure, Colas has a duty to undertake specific actions in this area. Colas' commitment to road safety is reflected in frequent initiatives to increase awareness of road risks among employees around the world.

Safety is thus a priority issue at the highest levels of the company: it now forms one of the criteria explicitly used in calculating variable compensation for managers and subsidiary CEOs.

To support its actions in this area, Colas has signed up to a number of charters (e.g. in France, a charter signed with the Government and CNAMTS [18], regularly renewed since 1997), is involved in various road safety competitions (such as the one run by the Royal Society for the Prevention of Accidents in the United Kingdom) and organizes an annual Safety Week for all Group employees worldwide, focusing on road safety as well as safety issues relating to Colas worksites, as well as managing and coordinating a network of around 100 prevention specialists in the field.

It is important to emphasize that the impact of these actions extends beyond Colas: they benefit not only Colas employees but also their families and friends (through sharing best practice) along with all road users. Colas cares not only about reducing the negative impacts of its activities, but also about significantly expanding its positive impact, thus benefiting its employees and society as a whole. One example of the long-term concrete actions Colas has implemented in this area is its employee first-aid training policy, which has been in place since 2006: Colas places a major emphasis on first-aid training at all its sites worldwide. As of now, nearly 40% of Colas employees have learned life-saving techniques. This training benefits employees as well as everyone around them, including their families and friends.

| Name of indicator | Scope | 2019 [1] | 2020 |
|---|---|---|---|
| **Total number of employees trained in first aid** (at end of period) | World | 23,049 | 20,466 |

(1) *Smac workforce not included for 2019.*

The number of employees trained in first aid declined by 10% after rising 15% in 2019.

(17) *Positive externalities: Actions carried out by the company that have a positive impact outside the company at zero cost to their beneficiaries.*

(18) Caisse Nationale d'Assurance Maladie des Travailleurs Salariés *(National Health Insurance Fund for Employees).*

### 2.2.4.4.1. Road safety policy

While Colas' Road Safety Charter, agreed with the Road Safety Commission (DSCR) and CNAMTS, covers all Group employees in Mainland and Overseas France, Colas' preventive Road Safety Policy has gradually been extended to all countries in which the Group operates, in accordance with local cultures and rules.

#### 2.2.4.4.1.1. Road Safety prevention program

The Road Safety action and prevention program in place within the Group relies on subsidiaries and business units' strong commitment to implement local initiatives, at the behest of Executive Management.

Each subsidiary around the world has its own Road Safety Correspondent; these correspondents are supported at region or business unit level by a network of over 400 Road Safety Officers tasked with implementing and coordinating the program.

This initiative, rolled out on the ground in France, centers on a program ("SCOPE") focused on raising drivers' awareness of safe driving rules, organization of travel, the vehicle fleet (purchase and maintenance, and active and passive safety equipment) and the environment (road infrastructure, traffic plans, etc.). This program uses audiovisual media, driving audits, post-accident analysis (resulting in corrective action), and statistical tools for analyzing and monitoring accident rates at French business units and subsidiaries. More than 30,000 employees in France have received road safety training since it was introduced in 1997. Over 15,000 driving audits have been undertaken by either Road Safety Officers or specialized training centers. These various measures are supplemented by an emulation system that incentivizes subsidiaries and business units to demonstrate their assertiveness and inventiveness: the French Inter-Subsidiary Road Safety Challenge, which recognizes the top-performing business units in this area, includes a road safety component.

Outside France, similar road risk prevention training and awareness programs have been developed in many countries with the aim of gradually extending this policy to all countries and regions where the Colas Group operates, in accordance with local cultures and regulations.

Raising employee awareness of road safety issues also means, in some locations, designing and disseminating communication tools within subsidiaries to boost the program's impact (posters, comic strips, videos, etc.); regularly reminding staff of Highway Code rules (including those covering the use of mobile phones) during 15-minute site safety briefings knows as "starters"; training using simulation software; awareness days in partnership with local stakeholders (training centers, prevention specialists, police, etc.); giving out breathalyzer tests as part of efforts to prevent drinking and driving; first aid training, etc. The "avoidability" of accidents is systematically highlighted, notably through feedback following accidents.

Raising awareness of road safety issues also involves making improvements to project organization and how travel is managed, as well as improving management of the vehicle and equipment fleet (maintenance, vehicle equipment including reversing aids, etc.).

The program's effectiveness is largely dependent on internal communications, not only to share experience and promote best practice but also to disseminate targeted messages from Executive Management.

#### 2.2.4.4.1.2. Changes in the number of accidents and the vehicle fleet

Colas sets itself targets to reduce losses, a goal shared by all subsidiaries. The decline in the road accident frequency rate, which fell 45% worldwide between 2004 and 2019, was further accelerated by the reduction in travel resulting from the public health crisis in 2020 (the worldwide frequency of road accidents at Colas declined by 59% between 2004 and 2020; between 2019 and 2020, the road accident frequency rate declined by 25% in a single year).

In accordance with each country's laws and regulations (e.g. *Commission Nationale de l'Informatique et des Libertés* in France, GDPR in the European Union), onboard telematics in vehicles is set to be gradually extended in the future. For example, positive results, such as a significant reduction in speeds, have already been obtained at Colas Rail Ltd in the United Kingdom, following discussion with the drivers concerned about the risks of excessive speed, supported by data collected. In Madagascar, a contract has been signed with a supplier for a geolocation system offering new possibilities for driver feedback and the ability to influence driver behavior.

### 2.2.4.4.2. Workplace safety policy

The Group's workplace safety policy is built around four priorities: compliance with rules, training and information, a safety-first approach to project and process design, and follow-up of action plans.

Significant actions in 2020 included the following:
- the launch of the Group safety rules by Colas' Chief Executive Officer during Safety Week 2020. These rules, which will be rolled out worldwide ahead of the next Safety Week in June 2021, encompass the Five Rules of Life and Ten Life-Saving Rules, and will be used as a reference framework for audits. The goal is to build a shared safety culture Group-wide;
- the continuing roll-out in France of the One Safety approach with DuPont Sustainable Solutions (DSS), first launched by Colas Centre-Ouest in 2019. The approach now extends to all regions reporting to Executive Management France. All managers, from the CEO down to team leaders, including subsidiary chairmen, are coached in key management skills and how to adopt a collaborative approach when discussing safety issues with their teams. Colas Rail and GTOI (a Colas subsidiary on Reunion Island) are also set to adopt this methodology. The goal is to instill an enduring safety culture across France;

— the continuing roll-out in North America, via Caterpillar Safety Services, of the Living Goal Zero process, another safety culture program;
— the continuing of the Safety Culture program at Spac together with ICSI, a French industrial safety culture institute, launched in 2019;
— “Safety Culture” days in Mainland France for all newcomers to the Group;
— virtual reality training on crush hazards as part of the prevention days for newly hired employees;
— continuation of projects addressing “accident risk”, identified as being the most dangerous workplace situation (see fatal accidents in 2020), including the innovative project with Volvo Construction Equipment whereby both operators and any pedestrians entering a prohibited area close to machinery are alerted. The system uses artificial intelligence to recognize when a human is in the vicinity;
— trials in Mainland France of other systems detecting the risk of collisions between machinery and pedestrians.

Local initiatives backing up these major campaigns were implemented, such as the launch of a safety-related drawing competition for employees’ children and grandchildren on Reunion Island.

In addition, several initiatives related to temporary staffing agencies were implemented in 2020:
— harmonization of safety inductions using Accueil software and introduction of an induction document for site managers;
— a fresh drive to identify jobs at particular risk, along with more extensive training;
— a campaign with Routes de France and the FNTP (French National Public Works Federation) to launch the PASI from 2021. This safety passport with a 10-year validity period is issued after its recipient is given front-line training covering the main risks. It is a means for temporary employees to gain appropriate safety training. It will be a new safety requirement that temporary staffing agencies will have to meet;
— the introduction of Pixid temporary staffing management software to track this population more effectively, covering the process from expression of a need through to site induction.

## 2.2.4.4.3. Health policy

Colas pursues specific health-related initiatives on a range of topics.

### 2.2.4.4.3.1. Covid-19

During March 2020, Colas introduced a range of Covid-19 procedures so that operations could resume from mid-April at sites where they had been halted. These procedures were drafted with a group of risk prevention specialists and operational staff to meet health requirements and promote take-up by front-line teams.

The documents were produced as guides (unit managers, site supervisors and managers, construction and industries, etc.), “starter” briefings (about Covid-19, transport, daily organization, etc.), posters (maximum number of people allowed in each area, hand-washing, protective measures, etc.), record-keeping (monitoring of cleaning, temperature checks), business continuity planning, and a protocol covering suspected Covid-19 cases.

Most of these measures were introduced in France (Mainland and Overseas) before being adapted to international operations. Given the various regulations and measures taken by each country, it was impossible to standardize the entire process. In Canada, for example, remote healthcare and psychological support programs were introduced for employees and their close family members during lockdown. In southern Africa, all employees were given access to a service provider (ICAS) providing psychological assistance and information about Covid-19. The service also hosts regular sessions on various issues, such as remote working, resilience, employee engagement, etc.

### 2.2.4.4.3.2. Musculoskeletal disorders

Musculoskeletal disorders probably constitute the chief health risk in the public works sector. Colas has long responded to this issue by providing physical activity risk prevention training and making available ExoPush powered exoskeletons to help reduce strain for asphalt paving teams. ExoPush was designed jointly by engineers, workers and experts from Colas to help operators manually prepare asphalt mixes and thus improve their working conditions. The benefits to workers are an improved posture (much more vertical that with a non-assisted tool) and a lower heart rate (cf. Section 3.5, “Governance of innovation and partnerships”). More than 90 units have been rolled out or are in testing in France, Belgium, Switzerland, Denmark, Australia and Central Europe. A study was carried out in conjunction with the INRS (National Research and Safety Institute) in 2020 to identify factors promoting uptake of this new technology and thus facilitate its roll-out.

### 2.2.4.4.3.3. Noise

The large amounts of heavy machinery used on public construction sites means employees are inevitably exposed to noise. This issue was the main subject of the 2019 Safety Week, which highlighted the dangers of noise and the importance of always wearing hearing protection, which is compulsory at all Colas worksites (including construction sites, quarries and plants). The goal was to the remind all staff that noise is hazardous above 80 dB (A), that it has harmful effects on the human body and that hearing loss is irreversible. This Safety Week ran at all Colas sites worldwide, involving the whole of the Group’s workforce. The film “Noise” (which won a gold award at the Fimbacte festival, in the “responsible communication” category) was shown at all Colas sites, with the campaign rounded out by video quizzes presented by managers, a summary booklet for all employees, and posters. Hearing protection is among the mandatory items of personal protective equipment listed in the Group’s safety rules.

### 2.2.4.4.3.4. Ultraviolet radiation

The risk of exposure to ultraviolet radiation from the sun's rays is inherent in outdoor work. Colas makes sure all site staff are aware of the need to wear protective clothing and helmets. This topic is always covered at safety induction meetings for new employees.

### 2.2.4.4.3.5. Bitumen fumes

In 2013, an official monograph on bitumen fumes was officially published by the IARC (19). The IARC stated that, despite the substantial number of studies carried out, it was unable to judge whether there is a link between cancer and exposure to bitumen and bitumen fumes in road work. Given the IARC's findings, no new positions have been adopted by national authorities in the various countries where Colas has operations, with the exception of France, whose health authorities have produced an extensive update on the issue. The conclusions and official report of ANSES (20) reflected the risk analyses carried out by the road construction industry, stating that there are no grounds to consider a carcinogenic risk in the production or use of non-oxidized bitumen, but that this substance does present risks of eye and upper respiratory irritation. There were no further publications in 2020. In order to monitor the risk of employee exposure to this irritant, a major study was launched by INRS (the French national research institute for occupational safety and health) and French road construction industry representatives (Routes de France) to develop a standard method for the measurement of bitumen fumes inhaled by workers. This research, which involved broad participation by industry players and Colas in particular, was completed in 2015. An assessment template to evaluate the effectiveness of prevention methods has been developed and is now used by health insurance agents. Employee exposure data monitored using this new assessment tool enables a database to be built up and analyzed at least every five years.

For several years now, Colas has worked on reducing exposure to bitumen fumes and has pursued its strategy around the world with two main objectives:

— reducing bitumen application temperatures, since every 12°C reduction in temperature reduces fume emissions by around 50%. In addition, the rollout program for warm mixes is being supplemented by communications campaigns aimed at convincing customers to adopt warm mixes in place of traditional hot mixes; in 2016, the INRS (21) determined that the use of warm mix results in a statistical reduction in exposure of 25% (see indicator below);

— upgrading the fleet of finishers (machines that lay asphalt mix) to equip them with fume extraction systems. In 2016, the INRS determined that using these systems results in a statistical reduction in exposure of 55% (see indicator below).

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of warm mix and low-temperature mastic asphalt** (as % of quantity) | World | Asphalt and mastic asphalt plants | 20 | 19 |
| **Percentage of finishers equipped with a bitumen fume extraction system** (as % of quantity) | World | All fleets of equipment | 64 | 66 |

*The collection and consolidation of data for these indicators follow the rules described for environmental and social indicators (see note on methodology).*

The proportion of finishers equipped with dust extraction systems advanced by a further 2 points this year, demonstrating that efforts in this area continue to make progress everywhere as and when equipment is replaced.

Use of warm mixes decreased slightly, with a significant decline in Switzerland, the Czech Republic and Slovakia.

*(19) International Agency for Research on Cancer (an offshoot of the World Health Organization).*
*(20) French national agency for food, environmental and occupational health and safety.*
*(21) French national institute for research and safety.*

#### 2.2.4.4.3.6. Dust

Workplace health bodies and industry players have rallied around the issue of exposure to dust – in particular respirable crystalline silica particles – at worksites, quarries and gravel pits.

In France, Routes de France, a trade body in which Colas plays a very active part, published guides on two issues: preventing dust risk in surface-planing, sawing, chipping, scaling and coring activities; and preventing dust risk on recycling platforms, together with the UNPG (French national union of aggregates producers). The Group also takes part in a number of industry-wide measures relating to crystalline dust emissions as part of the campaign launched by the FNTP [22] and OPPBTP [23]. These guides were prepared with input from the DGT as well as OPPBTP.

Colas is taking action in France and around the world to reduce exposure to dust at manufacturing facilities and construction sites alike by using equipment and processes that create a humid environment (through spraying or misting), having workers wear personal protective equipment, and upgrading milling and planing equipment with machines fitted with dust extraction systems.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of asphalt planers equipped with a dust extraction system** (as % of quantity) | World | All fleets of equipment | 56 | 61 |

*The collection and consolidation of data for these indicators follow the rules described for environmental and social indicators (see note on methodology).*

The proportion of asphalt planers equipped with dust extraction systems advanced by 5 points, demonstrating that efforts in this area continue to make progress everywhere as and when equipment is replaced.

In France, Colas has taken part in the debate on the presence of amphibole elongate mineral particles (which belong to the same family of naturally occurring rocks as asbestos) in existing roads, recycled materials and newly extracted aggregates. Colas is a member of several working groups that bring together public-sector experts as well as building, construction, demolition and public works industry associations to better gauge this risk and develop suitable prevention measures.

The health effects of potentially asbestos-bearing actinolite and of amphibole elongate mineral particles (EMPs) are an issue that has attracted attention for a number of years in several countries (including the United States, Germany and Hungary) from a regulatory and scientific standpoint. At present, France is the only country in which a number of public decision-makers have decided to identify this risk as a commercial asbestos risk. Requirements in this area vary from one country to another. Colas ensures that it complies accordingly, and at the same time, intends to promote a genuine scientific and regulatory dialogue internationally, including in the United States, where most of the research in this area has been carried out, but where it has not been regarded as sufficiently conclusive. Colas complies with requirements laid down by the French authorities.

#### 2.2.4.4.3.7 Solvents

Solvents are the latest front in the fight against employee exposure to toxic chemicals, a category that includes chlorinated solvents used in laboratories, fluidifying agents or anti-adhesive petroleum-based products used at worksites, and petroleum-based or chlorinated solvents used in workshops. Solvents are hazardous to human health when absorbed through the skin (and via the respiratory tract, especially when heated). In addition to maintaining high standards for individual and collective protection equipment and the strict supervision of all products used, Colas has begun a program focused on finding safer alternatives for all solvents in use. Progress in this area is difficult to achieve because possible alternatives may encounter resistance from staff for technical reasons. They may also be more costly, not available in all countries, or require adaptations in working methods due to their lower effectiveness.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of chlorinated solvents used in closed-loop systems** (as % of quantity) | World | Laboratories | 74 | 80 |

*The collection and consolidation of data for these indicators follow the rules described for environmental and social indicators (see note on methodology).*

The percentage of chlorinated solvents used in closed-loop systems increased by 6 points. To a large extent, this increase was attributable to higher usage of chlorinated solvents in closed-loop systems in Canada (up 31 points) and in the Morocco, Central Africa and West Africa region (up 18 points). It should be noted that purchases of these laboratory solvents by US subsidiaries have been reduced to extremely low levels. More generally, the risk related to chlorinated and petroleum solvent use has been reduced in workshops, on worksites and in laboratories, both in France and internationally. More than 70% of Colas' parts washers no longer use these types of solvents to clean workshop and laboratory equipment, having replaced them with organic solvents, plant-based solvents or aqueous cleaning solutions. The goal of completely eliminating these uses in an open environment still has to overcome several highly specific applications, the laboratory standards in certain countries and the availability of equipment and alternative equipment in certain locations. Colas continues to invest in refining control methods, but it seems likely that progress will now become slower and harder to achieve.

(22) Fédération Nationale des Travaux Publics – *[French] National Federation for Public Works.*
(23) *French construction and public works prevention organization.*

#### 2.2.4.4.3.8. Employee benefits

Colas is an active participant in the BYCare program set up by Bouygues in 2019 to provide a common core of employee benefits around the world that go further than the requirements of the local legislation in each country.

In 2020, efforts focused mainly on life insurance, with new cover negotiated providing additional capital payouts on top of the statutory minimum and equivalent to at least one and a half year's gross basic salary.

At year-end 2020, 93% of the Colas Group's employees outside France benefited from this level of life cover (estimate by Willis Tower Watson, the partner broker for all Bouygues Group entities outside France). Efforts are continuing to plug the gaps that still exist in certain countries, with a target of blanket coverage by early 2021. Maternity and disability cover will also be considered, with a target of falling into line with the average level of cover provided locally.

In addition, local employee health initiatives continue to operate. In Madagascar, an aid station was set up and two doctors were hired to provide front-line care for common complaints and to conduct employees' mandatory medical visits. In West Africa, including Côte d'Ivoire, each site has an occupational physician and aid station (with nurses).

### 2.2.4.4.4. Workplace accidents, particularly their frequency and severity, and occupational illnesses

| Name of indicator (1) | Scope | 2019 | 2020 |
|---|---|---|---|
| **Frequency rate (2) of employee workplace accidents** | World | 6.19 | 6.12 |
| **Severity rate (3) for employee workplace accidents** | World | 0.38 | 0.44 |
| **Number of fatal employee workplace accidents (4)** | World | 3 | 5 |
| **Number of employees recognized as suffering from an occupational illness during the year** | France | 120 | 73 |
| **Percentage of companies outside France providing employee benefits** | International | 100 | 100 |

*(1) These 2019 figures do not include Smac.*
*(2) Number of lost-time accidents × 1,000,000/Number of hours worked. These are accidents declared and recognized by the competent authorities, e.g. the CPAM in France.*
*(3) Number of working days lost × 1,000/Number of hours worked, in line with the regulatory definition of "Severity rate": "Working days lost in the current year are taken into account even if the accident occurred in the previous calendar year, within a maximum period of three years from the initial event."*
*(4) The number of fatal accidents relates to the registered workforce and consists of accidents linked to occupational activities resulting in death, including road traffic accidents (but excluding commuting accidents and cardiac events).*

In 2020, the frequency rate declined further than in 2019, dropping from 6.19 to 6.12, but the severity rate increased from 0.38 to 0.44, taking it back to its 2018 level. Five accidents occurred in which lives were lost, chiefly as a result of collisions with construction machinery. The Group held a "Stop Day for Life" on December 3, 2020, during which all its business units around the world came to a complete halt to bring together all its (operational and functional) employees and explain the causes of these accidents to them. The Group safety rules launched in September and introduced to prevent serious and even fatal accidents should help to instill a shared safety culture right across the Group.

During 2020, the roll-out of the Safety Culture initiative with Dupont Sustainable Solutions in Mainland France continued at the road-building subsidiaries. This rollout is scheduled to be completed in 2023.

### 2.2.4.4.5. Absences

The absence rate is a useful but hard-to-interpret indicator: an increase in the rate could equally well point to a deterioration in labor relations within the company or a deterioration in the health of the workforce.

| Name of indicator | Scope | 2019 (1) | 2020 |
|---|---|---|---|
| **Number of working days lost due to workplace accidents (excluding commuting accidents)** | World | 42,086 | 47,232 |
| **Absence rate (2)** | France (Mainland + Overseas) | 4.85 | 5.99 |

*(1) These 2019 figures do not include Smac.*
*(2) Permanent contracts; this indicator measures the number of working days lost due to workplace accidents, commuting accidents, illness or occupational illness, in proportion to the number of calendar days.*

In France, the absence rate surged in 2020 after two years of decreases in a row. The rate was higher than the national rate for the private sector of 5.11 in 2019 (according to the Ayming absence survey), but the pandemic should be taken into account.

France's overall rate of 5.99 breaks down as follows: 7.9 for workers; 5.2 for office staff, technicians and supervisors; and 1.85 for managers. These figures reflect the deterioration in the severity rate in 2020, especially in France. The measures implemented (safety rules, One Safety) should deliver a significant reduction in the absence rate.

## 2.2.5. Ethics and human rights

### 2.2.5.1. COMPLIANCE POLICY

Acts of corruption or complicity in corruption are major economic and financial risks and a risk to the company's reputation. Colas identifies all risks of corruption and influence peddling risk, draws up and displays rules of ethical conduct (code of ethics, compliance programs and gifts and hospitality policy) and implements prevention, detection, whistleblowing measures and penalties for corruption.

Compliance acts solely to ensure that employees' decisions and behaviors, both within the company and in their dealings with third parties, comply with internal or external standards applicable to their areas of activity. At its core are five programs ("Anti-corruption", "Competition", "Conflicts of interest", "Financial disclosures and stock market transactions" and "Embargoes") drawn up to supplement the Code of Ethics, which has been in place for many years. These documents summarize applicable legislation and, in particular, the Sapin 2 law of December 9, 2016, and define specific practical behaviors prohibited by the Group as well as best practice to be adopted.

The Group's French subsidiaries added a section on ethical requirements within the Colas Group and the Bouygues Group to their rules of procedure, after consulting with the employee representative bodies. The requirements also provide for the application of disciplinary sanctions where these rules are not observed.

At subsidiaries outside France, employees give a written undertaking when submitting compliance documentation. From 2021, they will sign this undertaking electronically.

At the organizational level, after appointing its Group General Counsel and Chief Compliance Officer in September 2018, in 2019 Colas set up a four-person Compliance unit that forms part of the central Legal & Compliance Department. Locally, Chief Legal Officers have responsibility for supporting the compliance unit. The Colas Group Compliance Procedures affirm the key role played each manager in this area.

In April 2019, all the processes deployed internally in line with the Compliance Documentation were compiled into a Colas Group Compliance Handbook. In September 2020, this Handbook was updated and circulated to all the Group's subsidiaries falling within its scope (companies in which Colas has a direct or indirect interest of over 50%). One section of the document covers procedures and rules for gathering and responding to ethics alerts.

Compliance-related processes (covering corporate patronage, sponsorship, gifts, consortia, etc.) were digitized to make them operate more smoothly and increase traceability at the global level.

Monitoring of compliance procedures set out in the compendium now forms part of the inspection checklist drawn up in conjunction with the Audit Department.

Colas asked its subsidiaries to map their risks by business line and by country using its ColasMap software. In all, 65 risk maps were produced. In April 2020, the action plans for these risk maps were presented by each geographical region to Colas' senior management. The risk maps will be reviewed every two years once they have been approved (next updates due during 2021).

### 2.2.5.2. ACTIONS TAKEN TO PREVENT CORRUPTION AND ENCOURAGE FAIR BUSINESS PRACTICES

A number of actions had been implemented over previous years to combat active and passive corruption, unfair competition and conflicts of interest, some of which were strengthened in 2020:

— the E-comply software tool, which is used to digitize (non-HR-related) compliance procedures and real-time controls on their correct application, was rolled out in 2020. At the same time, a compliance intranet site was set up as a one-stop shop holding all the relevant materials (ethics documentation, training materials, whistleblowing procedure, etc.);
— a whistleblowing system open to all Colas employees has been in place since 2017;
— in 2020, as in previous years, Colas' Ethics and Corporate Sponsorship Committee, which is comprised of three Directors (two of them independent), met twice, in February and September. It was given presentations on progress with the roll-out of compliance programs during the previous fiscal year and on compliance measures implemented and those planned in the future;
— since 2017, executive commitment has been reflected in the requirement for each executive to sign an ostensible commitment. A campaign to renew these commitments takes place every two years and covers all managers (from head of department upwards), company officers and all Purchasing staff;

— under the terms of the Colas Compendium of Compliance Procedures, the requirement to verify the identity and integrity of stakeholders translates into the need to gather information and assess the risk of corruption to which a third-party relationship exposes a given Colas entity. The appropriate level of investigation to be undertaken depends on the characteristics of the planned relationship or transaction (from Level 1, undertaken by operational departments on an "open source" basis, to Level 4, undertaken by an outside organization under the supervision of the Group Legal & Compliance Department). Colas uses specific research software (Compliance Catalyst) to carry out Level 3 investigations. At end November 2020, a total of 3,889 investigations had been carried out. Framework agreements with external service providers to conduct Level 4 investigations were put in place during 2020. Lastly, Colas laid down the Level 1 assessment arrangements in 2020. A "test mode" deployment of this procedure, backed up by appropriate IT systems, is planned in France during 2021, subject to approval of its viability from a human and technical perspective.

In 2020, the training campaigns continued and were stepped up:

— the "Applied ethics and compliance" module, aimed at familiarizing all employees taking the module with the core principles of compliance documentation and providing an overview of all procedures contained in the Compendium, was rolled out in 2019 both in France and internationally, except in the United States (which has its own specific procedures and training modules). In April 2019, Chief Legal Officers responsible for overseeing this training at the local level were provided with common training materials applicable to all Colas subsidiaries. A total of 2,353 employees were trained between November 1, 2019 and October 31, 2020. In the United States, 3,900 employees were trained. This training is incorporated into all "UNI" sessions (central training programs);
— rollout of the Fair Play serious game continued in 2020: this e-learning module, aimed at all employees with a business e-mail address, is designed to help employees explore issues relating to ethical best practice. In 2020, 233 employees delivered this training (4,939 since 2017). Lastly, the module is in the process of being translated into Czech, Croatian, Flemish, Polish, German, Romanian and Spanish are now available on the platform;
— all participants in the Colas University 1, 2, 3 and 4 courses receive training in the fundamentals of compliance. 173 employees were trained in 2020 as part of the University 1 and 2 courses. A two-hour slide show presentation was produced to be used by Chief Legal Officers to train subsidiary staff;
— the subsidiaries in North America continued their rollout of a specific communication and training program on ethics:
  – in the United States, the face-to-face training initially planned for employees and managers switched over to Teams amid the Covid-19 pandemic. The topics covered included anti-competitive practices, workplace conduct, compliance with the Disadvantaged Business Enterprise regulations, conflicts of interest, gifts and hospitality. Two ethics training modules have been offered at Colas University in the United States. In parallel, all US subsidiaries regularly hold training sessions on ethics-related topics, some of which were covered at length in in-house magazines. As part of this program, all employees of subsidiaries in the United States with an email address were given access to various online modules relating to Colas' code of conduct in the United States, fraud and the anti-discrimination drive. All employees have been invited to view online the Bouygues code of ethics and the Colas code of conduct specific to the United States and to confirm that they have read them carefully. Furthermore, all employees of Colas subsidiaries in the United States are required to confirm each year in writing that they have received the code of conduct and comply with it. The hotline number for anonymous ethics-related whistleblowing reports is displayed on all Colas websites. Fold-out cards listing the phone numbers and the website for ethics issues were also distributed,
  – in Canada, Ethics and Compliance Program training had been delivered to 81 employees by the end of 2020. As a reminder, a new whistleblowing system for employees was introduced across Canada in June 2017. A major communication campaign informed all the employees of the Canadian subsidiaries about this bilingual service run by an independent third party. In addition, the overhaul of the Colas Canada intranet provided an opportunity to reiterate the obligations with regard to commercial intermediaries, corporate patronage and sponsorship, gifts and hospitality.

## 2.2.5.3. HUMAN RIGHTS

In Article 2 of its Code of Ethics, the Bouygues Group, Colas' parent company, commits to complying with the United Nations' Universal Declaration of Human Rights and the ILO's fundamental conventions. In 2020, risk mapping efforts continued with a view to fine-tuning identification of the main risks facing Colas.

The drive identified the following main risks: harassment and discrimination; excessively long working hours; workers' quality of life, living standards and accommodation.

In 2020, progress was made with implementing the action plan produced on the basis of the risk maps (including roll-out of a program to champion diversity, introduction of new payroll and HR monitoring tools (ColasWay), improvement of worksite installations and equipment, and establishment of a minimum standard of employee benefits).

In 2021, fact-finding missions in the field (the first of which took place in Morocco in 2019) will continue to refine monitoring measures, define vigilance thresholds and provide Colas' Audit Department with a set of baselines against which to carry out controls and checks.

### 2.2.5.4. PERSONAL DATA PROTECTION

The European Union's General Data Protection Regulation (GDPR) entered into force on May 25, 2018. The Colas Group was already mindful of the need to protect personal data taking into account the evident expectations of numerous stakeholders.

Given the nature of its business activities, Colas prioritized a policy of protecting its employees' personal data.

The Group stepped up its innovation activities in 2020, leading to a greater focus on protecting personal data, mainly reflected in a review of applications in accordance with the "privacy by design" and "privacy by default" principles.

Colas put in place a decentralized governance structure, appointing a Colas SA Data Protection Officer (DPO) in September 2020. A legal specialist in personal data protection also joined the central Legal & Compliance Department.

The DPO is supported by a global network of 37 correspondents from the Human Resources function. To help them fulfil their roles, these correspondents are assisted by members of the legal and IT functions.

The Group has published policies on protecting employee data as well as data protection policies aimed at third parties. Procedures on managing the rights of individuals and data violation have also been issued, as well as model contractual clauses.

These tools are posted on an intranet site dedicated to GDPR (ColasShare), which is available to all employees in both French and English.

Lastly, as an international group, Colas has drawn up Binding Corporate Rules (BCRs). This corpus of documents is to be rolled out to all subsidiaries. The procedure to secure approval from CNIL, France's data protection agency, is in progress.

## 2.2.6. Environment and carbon

Given the overlap between general environmental issues and issues specific to Colas' activities as set out in its business plan, the Group has structured its response to these issues around five themes: risk prevention; energy and carbon; the circular economy; biodiversity and ecosystems; and water management.

The topics of R&D and innovation in these areas are covered in Section 3, "Value chain and innovation".

### 2.2.6.1. GENERAL ORGANIZATION

In light of the large environmental footprint of Colas' activities, a specific organizational structure has long been in place under the responsibility of the Environment Department. With effect from January 1, 2020, this department was incorporated into the new Sustainability & Innovation Department (DDRI). It draws on a network of about 60 environmental representatives at the Group's subsidiaries in France and around the world, in turn supported in the field by several hundred coordinators and internal environment auditors, who often have responsibilities in other areas such as safety and/or quality.

To deepen the professionalism and expertise of this network, the Environment Department has developed various collaborative and participative tools:

— conventions on environmental themes are held every other year;

— EOCE, an individual and collective development program for environmental correspondents aimed at putting correspondents to work together in groups of four, with each correspondent focusing on three high-priority themes for his/her subsidiary, drawing on the network's resources, the three other members of the group, two coaches who have already completed the program and a member of the Environment Department team. At the end of the program, each participant visited seven Colas subsidiaries around the world to help develop appropriate solutions inspired by existing best practice, received help in situ from six Colas experts to make progress on his/her own themes, strengthened the relationship with his/her subsidiary CEO and other functional and operational managers within his/her subsidiary, and built relationships with the worldwide network of environment correspondents and the Environment Department's corporate team. To date, 32 correspondents have completed or are currently completing the program, 20 of them from international subsidiaries. Since the program kicked off in May 2015, the Environment Department has trained 12 coaches who have taken on board the methodology and each supported two program participants for more than half a year;

— a dedicated Yammer social network for environment correspondents, set up at the initiative of the EOCE program and coordinated by the Environment Department;

— a multilingual sharing platform accessible to all Colas employees, ColasShare Environment, for pooling professional experience, formalizing expertise and coming up with improvements;

— working groups: following this constructive discussion within the program, participants in the EOCE program expressed a need to pool their knowledge and expertise in the form of informative and prescriptive themed information sheets; the Environment Department took responsibility for organizing the resulting working groups and publishing final versions of these information sheets on ColasShare Environnement. Over 50 themed information sheets have already been circulated covering field issues like treating odors in carbon black industries, reading analyses of soil, aqueous waste and atmospheric discharge, managing inert waste, managing invasive exotic species, etc.;

- the Industrial Risk Committee, a cross-departmental committee that was formed in 2017 to look into industrial risk with the Materials, Workplace Health & Safety, Audit, Technical/R&D and Risk & Insurance Departments, as well as with the operational executive management teams. Its role is to specify a Colas policy for various risks with appropriate tools for the different types of facilities (FMECA [24], causal tree, etc.). This approach aims to take account of technical and human factors as well as organizational factors, while also including a review of industrial equipment suppliers. The Industrial Risk Committee appoints and manages various working groups and signs off their deliverables in the form of prescriptive documents. The relevant corporate departments and Colas' Audit Department subsequently check that the instructions in these documents have been implemented. To date, documents have already been finalized covering "twin drum" asphalt mixing plants and storage tanks for chemicals, bitumen and hydrocarbons;
- various training programs are available covering environmental topics, such as the Environment e-learning module for construction projects, which can be found on the Colas Campus training platform. ISO 14001 and environmental audit training is also delivered annually, jointly facilitated with the Environment Department. The topic of the environment is also covered in two training programs: University 1 for newly hired managers and University 3 for managers;
- environmental certification standards (particularly ISO 14001) require that the environmental performance of employees be assessed, that environmental training be provided for employees when necessary, particularly for new recruits, and that contractors be provided with relevant information (pursuant to Section 4.4.2 of ISO 14001).

## 2.2.6.2. RISK PREVENTION

### 2.2.6.2.1. Preventing environmental risks

The entry into force of the French "duty of vigilance" law provided an opportunity to step up efforts to safeguard against environmental risks. A comprehensive approach has been implemented to identify major key risks in terms of the environment and chemical health and safety, broken down by type of site and industrial process, size and type of construction project, consumption and storage of hazardous products, flows of waste, etc.

The approach is divided into three key phases:

- current state assessment: Following a self-assessment exercise, sites were identified where the duty of vigilance may be of particular significance. Other sites were also identified through enhanced monitoring;
- action planning: Identified sites implemented action plans to reduce the risk of serious breaches;
- audit: An outside firm audits the identified sites. The purpose of these audits is to verify sites' overall approach to the duty of vigilance and check that action plans have been implemented. Audits will also look at the following: stakeholders, safety, emergency preparedness and response, environment, and process safety.

A total of 43 sites and construction projects have been identified through the enhanced monitoring process: the first pilot audit was undertaken in 2020 in the USA. This will be followed by two pilot audits (Australia and Major Projects) based on a mapping of risks, vigilance plans for each of the relevant sites and projects, and specific audit arrangements. The goal is to validate audit standards specifically applicable to the duty of vigilance and roll out the audit campaign across all identified sites.

Outside of this scope, which is managed on a top-down basis with the business units in question, responsibility for safeguarding against risks is delegated to business units and subsidiaries around the world, within the framework of a policy managed by the Environment Department. The key issue for Colas mainly relates to permanent facilities: equipment maintenance workshops, laboratories, materials production sites (asphalt mixes, modified binders and bitumen emulsion, paints, quarries and gravel pits, ready-mix concrete, etc.), depots where such materials are stored, and so on. Construction projects are less affected given their small average size and the fact that the vast majority take place in areas that are no longer in their natural state. However, the largest projects are subject to specific arrangements such as Environmental Protection Plans (a regulatory requirement), as is the case, for example, of the major Route du Littoral (Coastal Highway) project on Reunion Island. Furthermore, the Colas Projects QSE team is tasked with leveraging feedback and improving performance.

Operating licenses for environmentally sensitive facilities subject to special administrative processes ("ICPE" or "ISDI" facilities in France) generally require strict compliance with environmental requirements, irrespective of the country in question. Compliance with these administrative requirements is the number one concern for environment managers at business unit and subsidiary level, and is subject to regular audits and self-assessments of various types. On this subject, it is worth mentioning the system of annual inter-subsidiary cross-audits carried out across Belgium, Mainland France, Switzerland and Romania by specially trained internal auditors to assess facilities and strengthen prevention. This approach will be rolled out across other geographical locations starting in 2021.

Safeguarding against environmental risk within business units and subsidiaries mainly relies on two tools:

- formal environmental management systems at ISO 14001 or equivalent standard, based on internal and external audits or certification. This implies the existence at each relevant site of an environmental analysis, dashboards and preventive action plans (particularly for managing discharges) and archival arrangements ensuring a good level of traceability;

— self-assessments using Colas checklists: This very practical system uses a set of over 100 questions by type of facility, and are used to determine progress plan priorities. A standard checklist has been prepared for practically every type of stationary facility: R&D laboratories, works center depots, workshops, hot- and cold-mix plants, emulsion and binder plants, bitumen depots, quarries & gravel pits, recycling platforms, ready-mix concrete plants, prefabrication plants, and construction waste disposal sites. This covers more than 3,100 production units all over the world. These checklists are incorporated into Colas' internal control system and are being developed into a new full web multimedia computer platform christened CHLOE. This application is designed to improve usability for users within subsidiaries, facilitate updates to checklists and allow for the development of new functionality in terms of dashboards, indicators and action plans. Use of checklists is monitored as part of Colas' internal control system. These collaboratively developed checklists also serve as a training vehicle and audit benchmark, as well as helping with the design of new facilities; they bring together the contributions of over a hundred Colas employees worldwide over the past 15 years or so.

These arrangements give rise to three indicators shown in the table below:

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of materials production activities that have environmental certification** (as % of CAE [1]) | World | 100% of CAE [1] of materials production activities | 65 | 61 |
| **Percentage of materials production activities that carry out environmental self-assessments using Colas checklists** (as % of CAE [1]) | World | 100% of CAE [1] of materials production activities for which checklist is applicable | 79 | 86 |
| **Percentage of materials production activities that use a tool to manage environmental impact (environmental certification and/or Colas checklists)** (as % of CAE [1]) | World | 100% of CAE [1] of materials production activities | 89 | 83 |

*(1) CAE: revenue + intra-Group transactions and disposals. This amount takes into account Colas' upstream activity (essentially construction materials), whereas accounting for Colas' vertical integration results in the elimination of more than 50% of materials production activity from revenue.*

The "percentage of materials production activities that have environmental certification" indicator fell by 4 points and remains at a satisfactory level, given the range of contexts around the world in which Colas operates and the minority interests held by Colas in many of these businesses. However, in some regions, managers have begun to question the usefulness of this approach, or would like to replace it with more practical and less systemic guidelines. At this stage, work is currently underway to come up with a Group position on this indicator. However, there is a strong tendency at subsidiaries to define the certified scope of their activities with greater precision.

The checklist-based environmental self-assessment indicator improved (gaining 7 points) and is at a high level thanks to significant improvements in this indicator at subsidiaries using the Chloé platform. Self-assessment using checklists continues to be the cornerstone of Colas' policy for addressing environmental risks.

The final indicator, which combines the two approaches, declined – mainly as a result of some subsidiaries no longer pursuing environmental certification – but remains high. The target remains 100%, though this objective is very ambitious considering that other companies sometimes have large and even majority stakes in some Colas entities, which prevents Colas from ensuring complete oversight.

### 2.2.6.2.2. Prevention expenditure and amount of provisions

Colas does not use consolidated indicators for planned spending on the prevention of environmental hazards or pollution. This spending is included in normal operating expenditures and it is difficult to allocate purchases or major maintenance costs: for example, replacing a bag filter at an asphalt mix plant constitutes a routine investment for Colas, even though it is of an environmental nature since it serves to prevent particulate emissions.

As regards contaminated land, in line with its management guidelines, Colas makes provisions for clean-up expenses when the amounts have been determined based on an assessment by an independent firm and when a date for site rehabilitation has been set (by the competent authority, for example) or is otherwise known (upon lease termination, for example). Colas also has a particular advantage in managing this type of liability thanks to its subsidiary Colas Environnement, which specializes in groundwater and subsoil decontamination. This subsidiary, recognized for its cutting-edge expertise, operates for both internal customers and outside industrial operators. Following conclusive trials outside Mainland France in Reunion Island and Spain, it continues to grow and provide its expertise to Colas, whether to evaluate budget allocations or to manage tricky decontamination exercises such as the current exercise at the SRD site in Dunkirk.

A large number of quarries and other sites worldwide are subject to specific regulatory requirements when they are no longer operated and require provisions to cover environmental risks during operation. This entails a wide variety of guarantees and practices (such as performance bonds, insurance, escrow accounts and provisions) that depend on national laws. Colas' provisions on site rehabilitation commitments totaled €207 million at December 31, 2020.

As of this date, there is nothing that indicates that any of these measures were insufficient, either during internal or external audits or during the investigation of insurance claims.

### 2.2.6.3. ENERGY AND CARBON

As set out in Colas' business model, the issue of the Group's carbon footprint is paramount and is even covered by its parent company's vigilance policy, given its specific importance relative to other Bouygues Group business lines: Colas' activities are structurally carbon-intensive, as demonstrated by its calculated carbon footprint. There is thus a need for a proactive policy and a good understanding of the levers available to significantly reduce this carbon footprint, in step with commitments entered into by the majority of countries where Colas operates. Given the climate disruption associated with greenhouse gas emissions, Colas' contractual and non-contractual internal and external stakeholders have expressed their sensitivity very clearly, though with significant variation, notably by country and by customer.

At the beginning of 2020, Colas set about drawing up a low carbon carbon and biodiversity roadmap. This collaborative work identified six priorities broken down into 29 commitments and 20 tracking indicators to monitor actions. A Low Carbon Strategy Committee was put in place, with members drawn from the Sustainability & Innovation, Equipment, Purchasing, Business Development, and Technical/R&D Departments and designated sponsors in each of Colas' geographical and specialized business units.

The Low carbon roadmap consists of the following five priorities:

**Priority 1: Incorporate climate issues into the Group's strategy**

— Analyze business risks and opportunities resulting from climate change
— Raise employee awareness of climate issues
— Develop new business segments based on renewable energy offerings
— Promote the Group's low-carbon strategy in its offerings

**Priority 2: Improve energy efficiency to reduce greenhouse gas emissions from direct energy consumption**

— Implement tools to manage and monitor energy used by asphalt plants, machinery and vehicles
— Deliver eco-driving training to employees who use machinery and vehicles
— Reduce vehicle consumption and idling rates
— Reduce dependence on fossil fuels by making use of renewables
— Promote alternatives to road transport for bitumen and aggregates (rail or waterways)
— Evolve the vehicle fleet towards low-carbon solutions (electric, green hydrogen, biogas, hybrid)

**Priority 3: Develop and promote low-carbon products, techniques and solutions**

— Increase purchases of low-carbon cement and hydraulic binders
— Reduce the carbon intensity of concrete produced on Colas sites
— Increase use of bio-sourced materials
— Position the Group as a key player in research into the use of low-carbon binders in transport infrastructure
— Increase the proportion of recycled materials used in asphalt mix
— Develop in-place road recycling
— Reduce the asphalt mix production temperature
— Promote warm mixes, which require less energy to produce than hot mixes

**Priority 4: Help customers and users achieve carbon neutrality and reduce emissions**

— Offer innovative and sustainable mobility services: Optimization of movement and parking flows, preventive management of road networks, planning and regulation of flows around urban construction sites (Mobility by Colas solutions); improve user security and manage shared mobility flows (Flowell dynamic signaling solution)
— Optimize infrastructure usage (local energy autonomy thanks to Wattway photovoltaic road surfacing)
— Promote research and development into carbon capture and storage through partnerships with existing companies and start-ups specializing in this area

**Priority 5: Optimize carbon accounting**

— Implement a construction project carbon calculator based on physical flows
— Build on options for calculating the amount of carbon saved or avoided ($tCO_2$)
— Analyze the value chain and identify and replace the physical flows that generate the most emissions

Colas has set itself a target of reducing its $CO_2$ emissions by 30% by 2030 across Scopes 1, 2 and 3a (baseline: 2019).

### 2.2.6.3.1. Colas' carbon footprint

Colas' carbon footprint is calculated across Scope 3a, "from cradle to gate": it thus includes the entire carbon cost of the upstream value chain as well as direct greenhouse gas emissions by Colas but excludes the downstream carbon cost. This choice is based on simple considerations: since Colas does not know how the materials it sells to external customers (aggregates, bitumen, etc.) are used, it cannot estimate the carbon cost resulting from such use; at the same time, since Colas has no control over the maintenance of or traffic transiting through the transport infrastructure on which it works, it cannot calculate the upstream carbon cost.

Following detailed methodological work to calculate its carbon footprint for the first time in 2010 using emissions factors recalculated by major geographical region, Colas updates this calculation every year. Caution is required when interpreting this information: a carbon footprint (which should more properly be called a "consolidated assessment of greenhouse gas emissions, expressed as $CO_2$ equivalent") is calculated with around 30% uncertainty, notably due to the impossibility of calculating the upstream carbon cost sufficiently accurately; in Colas' case, this upstream carbon cost depends on data held by hundreds of thousands of direct and indirect suppliers of all types.

This type of calculation does, however, provide an order-of-magnitude estimate of the carbon footprint and its various components:

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Greenhouse gas emissions** (in millions of metric tons of $CO_2$ equivalent) | World | All Activities | 13 | 12 |
| **Carbon intensity** (in kilograms of $CO_2$ equivalent per euro of revenue) | World | All Activities | 1 | 1 |

Colas' carbon footprint may be estimated as follows:
— scope 1: 1.7 million metric tons of $CO_2$ equivalent;
— scope 2: 0.1 million metric tons of $CO_2$ equivalent;
— scope 3a: 10.2 million metric tons of $CO_2$ equivalent.

Four figures are worth highlighting, expressed as percentages of the total carbon footprint:
— 21%: upstream contribution of cement (Scope 3) ;
— 16%: contribution of Colas' direct energy expenditure (Scopes 1, 2 and 3) ;
— 13%: upstream contribution of bitumen (Scope 3) ;
— 8%: upstream contribution of freight (Scope 3 only).

These four items alone thus account for well over half of Colas' carbon footprint.

With a carbon footprint of around 12 million metric tons of $CO_2$ equivalent, Colas has a duty to work to reduce its greenhouse gas emissions; the options available for reducing direct emissions obviously differ from those available for reducing the upstream carbon cost. Scopes 1 and 2 held fairly steady between 2019 and 2020. For Scope 3a, the reduction was 7%, due in large part to the reduction in activity resulting from the public health crisis but also, to a lesser extent, reduced use of concrete in new projects.

### 2.2.6.3.2. Energy consumption

In spite of the relatively modest proportion (14%) of greenhouse gas emissions generated directly by Colas, the idea of pursuing a policy of reducing the upstream carbon footprint without having committed to a policy of reducing the Group's own carbon emissions is clearly out of the question.

In value terms, Colas' internal energy consumption equates to almost 3.5% of consolidated Group revenue, while its average consolidated net profit has not exceeded 2.5% of consolidated Group revenue over the past three years. This gives rise to an initial observation: Colas does not have the resources to switch to more expensive greener energy and must instead always make use of the cheapest available energy in each of the territories where it operates; that being the case, only regulatory constraints or tax incentives can affect its energy mix by sending the market price signals applicable to Colas and its competitors; for example, this is the case in Switzerland, with its dynamic energy taxation policy and the possibility of exemption for businesses that put in place a strictly controlled strategy to lower their carbon cost.

Pending such price signals in other countries and fields, Colas is focusing its efforts on energy efficiency, and thus on lowering its consumption for any given task and level of production; the aim is to establish an effective culture of energy sobriety to avoid waste and excess consumption.

Energy expenditure is monitored using the following three indicators:

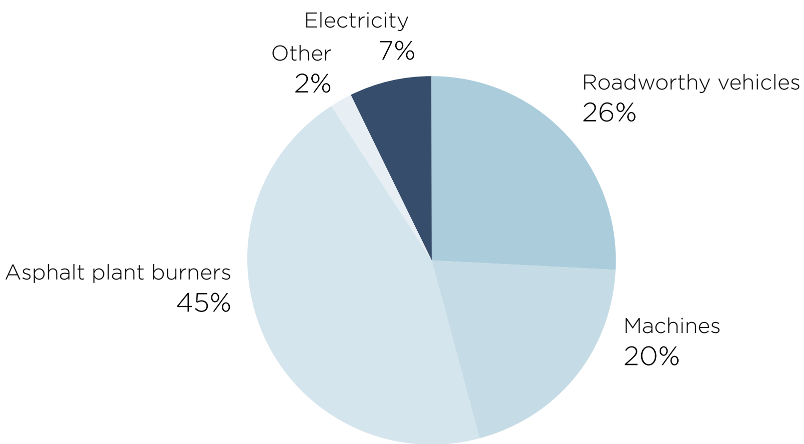
| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Total energy costs** (in millions of euros) | World | All Activities | 450 | 366 |
| **Total energy consumption** (in millions of MWh) | World | All Activities | 7.9 | 7.5 |
| **Ratio of total energy costs to IAV** [(1)] (as %) | World | All Activities | 3 | 3 |

*(1) IAV (Internal Activity Volume): the purpose of this performance indicator is to establish an accounting scope reflecting direct energy consumption by Colas, in order to calculate a ratio of direct energy intensity. It is equivalent to CAE (revenue before eliminations) less operating profit margin and revenue from subcontracted work.*

The energy bill fell by 19% and total consumption by 5% as a result of lower energy consumption and a decline in activity resulting from the public health crisis in 2020.

To implement an energy intensity indicator, Colas looked at establishing a relationship between these energy costs and a relevant denominator, such as revenue or added value. This work helped to reveal the complexities involved in this regard. Selecting revenue, for example, would encourage energy-intensive business activities to be outsourced via subcontracting: revenue would remain unchanged, while direct energy consumption would go down, without actually making progress in this area. For this reason, Colas defined IAV to express the volume (in euros) of business activity that truly constitutes the basis of energy costs. IAV is equivalent to CAE (revenue before eliminations) less operating profit margin and revenue from subcontracted work. The ratio of total energy costs to IAV was unchanged between 2019 and 2020.

Colas' energy expenditure is broken down as follows:




### 2.2.6.3.2.1. Asphalt plants

Opportunities to drive improvement in the field have long been known: managing the moisture content of aggregates; reducing idling of equipment; adhering to recommended temperature settings; adjusting burners; adopting the widespread use of warm mixes; limiting the number of different formulas produced; etc. Data on the consumption of each burner at Colas' 435 active asphalt mixing plants has been reported annually for many years, while 27% of plants have computerized real-time or daily monitoring systems running applications developed by Colas (My-mix, Hamp Report, Mix link®, etc.). To promote the implementation of resulting best practice, Colas has adopted the following policy:

— interim target: Reduce energy consumption at the burner per metric ton of asphalt produced by 1 kWh a year to 74 kWh per metric ton by year-end 2024;

— interim target: Increase warm mixes as a proportion of Colas' global production of asphalt to 25% by 2024.

The situation deteriorated in 2020 due to non-negligible increases in consumption by asphalt mixing plants in North America. As part of the strategic One Colas Plants program, a special analysis will be carried out in 2021, with a systematic audit of all plants with annual production of over 75,000 metric tons where consumption exceeds 90 kWh per metric ton. Furthermore, the approach used for the operational excellence component of this program will take into account energy best practice.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Energy consumed per metric ton of mix produced** (kWh per metric ton) | World | Asphalt mixing plants | 79 | 81 |
| **Greenhouse gas emissions per metric ton of mix produced** (in kilograms of $CO_2$ equivalent per metric ton) | World | Asphalt mixing plants | 20 | 19 |

Warm mixes, which require less energy to produce than hot mixes. The rate fell slightly in 2020 due to a decline in this indicator in the USA, where high levels of asphalt production significantly affect this asphalt mix indicator, and at French subsidiaries (down 5 percentage points for the Sud-Ouest ERT and down 4 points for the Colas Midi-Méditerranée ERT). All employees remain committed to expanding the use of these products across all regions, adapting production tools and conducting ongoing research to develop new technical solutions that enable lower product temperatures, with the knowledge that the health-related benefits are essential (see explanatory comment on the indicator in Section 4.4.1.2, "Health policy").

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of warm mix and low-temperature mastic asphalt** (as % of quantity) | World | Mixing and asphalt plants | 20 | 19 |

### 2.2.6.3.2.2. Machines and vehicles

While opportunities to drive improvement in the field have also long been known (adopting environmentally friendly driving habits, lowering engine power, optimizing loading on outward and return legs, switching off engines when idling, etc.), performance indicators are much more complex to implement and the target employee base is almost 100 times larger than operators of asphalt plants alone. It is thus essential that employees be made more energy-aware, and Colas is continuing with its information campaign to encourage truck drivers and equipment operators to reduce their fuel consumption by adopting environmentally friendly driving habits and switching off engines when equipment is idling. To help achieve the target of a 30% reduction in direct emissions between 2019 and 2030, a number of interim targets have been set:

— target: Equip 50% of the Group's vehicles and equipment with onboard telematics [(25)] by the end of 2024;

— target: Ensure that vehicles and equipment with onboard telematics have their engines switched off when idling in at least 80% of cases by the end of 2024;

— energy efficiency is already taken into account when choosing which equipment to buy, while the target of a 2% increase in the average utilization rate means the least efficient equipment is automatically removed from the fleet.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of vehicles with on-board telematics** | World | All Activities | 23 | 27 |
| **Percentage of machinery with on-board telematics** | World | All Activities | 28 | 33 |

The number of site machines and vehicles equipped with energy consumption monitoring systems continued to rise (by 4 points for vehicles and by 5 points for site machines in 2020). This action concerning telematics also features in Priority 2 of the carbon roadmap. This project, named MyEquipment, aims to increase the use of onboard telematics in wheeled equipment, which will improve average utilization rates and make it possible to monitor consumption and idling rates. These last two indicators will serve as performance indicators for the low carbon strategy.

### 2.2.6.3.2.3. Energy purchases

While the current system for monitoring energy bills is mature in France, it is not yet able to detect abnormal consumption or billing errors at the international level. The system will be reinforced worldwide and verified under the strategic One Colas Quarries and One Colas Plants as well as through customary audits of subsidiaries carried out by Colas' Audit Department.

*(25) Systems that provide real-time primary data on the operation of vehicles or equipment: consumption, engine speed, speed, distance traveled, etc. Such systems may be natively built into recent equipment or fitted as an extra to older equipment. They must also be capable of sending instructions to the driver.*

#### 2.2.6.3.2.4. $CO_2$ quotas

As combustion facilities with a rated thermal input exceeding 20 MW, some Colas asphalt plants are concerned by the European Union's emissions trading system. This applies to five permanent asphalt mixing plants in Belgium, two in Denmark and three in France. Compared with other manufacturing facilities concerned by this system, asphalt plants are minor $CO_2$ emitters. For example, the five French plants totaled around 8 thousand metric tons of $CO_2$ in 2019 (reported in April 2020) for a production of about 800 metric kilotons of asphalt mix. Following the closure of Société de la Raffinerie de Dunkerque, Colas picked up surplus quotas, allowing it to transfer 27,600 $CO_2$ quotas to unprofitable subsidiaries in 2020 in respect of 2019 without calling on the $CO_2$ market. Thanks to these transfers, each subsidiary had a quota balance following the April 2020 report corresponding to the free quotas allotted in February 2020, which will have to be used in the April 2021 report. For Colas, this scheme has proved administratively cumbersome and ineffective at lowering emissions.

### 2.2.6.3.3. Reducing indirect emissions

Opportunities to reduce the upstream carbon footprint (which accounts for 85% of Colas' total carbon footprint) are also severely limited by financial constraints. However, there are still some initiatives worth implementing or reinforcing:

#### 2.2.6.3.3.1. Transportation

With transportation accounting for a significant proportion of Colas' upstream carbon footprint, the Group is continuing its efforts to transfer upstream and downstream freight to waterways and railways. These efforts are helped in particular by the sea, river and rail freight expertise of the Group's businesses specializing in transporting bitumen. A reliable indicator monitoring tonne-kilometers of freight for each non-road mode of transport has been in place for several years:

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Number of metric tons of materials transported by rail or waterway** (in millions of metric tons) | World | All Activities | 10.5 | 7.9 |

The tonnage of materials transported by rail or waterway decreased by 25%. This reduction was mainly due to a decline in the use of rail transport as a result of the across-the-board decrease in Colas' activity levels in 2020. The average distance traveled was unchanged between 2019 and 2020. The quantity of materials transported by rail or waterway equates to nearly 2,935 freight trains (with each train containing 44 freight cars), which avoids deploying more than 264,000 trucks, each with a haulage capacity of 30 metric tons.

#### 2.2.6.3.3.2. Recycling asphalt mix and aggregates

Recycling of asphalt mixes and aggregates has been one of the biggest sources of energy savings for Colas since the Group's carbon footprint was first calculated in 2010 (cf. Section 6.3.5, "Summary of prospective reductions at Colas"). Annual reporting indicators have helped determine a target for asphalt mixes: increase the amount of recycled asphalt mix as a percentage of each metric ton of asphalt mix produced by 0.5 points a year for the next ten years. This target has now been incorporated into measures under the strategic One Colas Plants program. Recycling bitumen recovered from demolition or the milling of road surfaces is currently the main means of reducing $CO_2$ emissions (113,000 metric tons of $CO_2$ equivalent in 2020).

#### 2.2.6.3.3.3. Research and innovation

The two materials with the biggest negative impact on Colas' carbon footprint are bitumen and cement [26], the former due to the volumes involved and the depletion of raw materials, and the second due to its greenhouse gas intensity. While Colas cannot unilaterally stop using either of these materials, it can continue with research and innovation efforts to reduce their contribution to its carbon footprint – an approach that can be extended to encompass other materials that have less of an impact on Colas' carbon footprint. The goal is to offer the market less harmful alternatives and translate the corresponding research effort into a specific competitive advantage:

— bitumen: first of all, it is important to remember that bitumen used for road paving is not converted into $CO_2$, since it is neither burned nor consumed; fossil bitumen thus remains a stable carbon sink for road use. However, bitumen is a distillate of oil, and as such is vulnerable to policies limiting the extraction and transformation of the fossil fuels with which it is de facto associated. For this reason, Colas has long been interested [27] in researching alternative organic binders for many years, whether involving plastic waste or biomass. As regards biomass, the required volumes are challenging: replacing the amount of bitumen used worldwide with a vegetable oil derivative would require the equivalent of one-third of the European Union's total cultivated area [28]. That being the case, Colas is refocusing its research on the recovery of agricultural waste, and in particular lignin;

*(26) Cement and bitumen account for 21% and 13% of Colas' carbon footprint respectively.*

*(27) For example, Végécol® was developed as a bitumen alternative based on vegetable oils and resins as long ago as 2003.*

*(28) This calculation is based on an oilseed yield of 2 metric tons of oil per hectare – higher than the global average – and annual global bitumen consumption of around 100 million metric tons.*

— cement: through its subsidiary Argeco, which produces flash metakaolin (16,000 metric tons in 2020), Colas has for several years been working to reduce the carbon footprint of concretes. The Group is now involved in the global effort to develop low-emission cements while continuing its work on alternative binders based on inorganic geopolymers;
— green chemicals: efforts to upgrade the Group's use of chemicals (bitumen emulsions, road marking paint, surfactants, etc.) in accordance with the principles of green chemicals have led Colas to work towards switching to biosourced materials for some of its niche products (Vegecol® plant-based binder, patented in 2004; Vegeflux® fluxing agent, patented in 2006; Vegemark® road marking paint, certified in 2010; Ostrea®, a hot road marking product certified in 2006; Ekoflux®, a plant-based bio-fluxing agent which entered the development phase in 2014), which has the effect of moving from petroleum-based fossil carbon to a biosourced carbon sink, and even lowering production and application temperatures or reducing overall materials requirements in some cases.

## 2.2.6.3.4. Helping reduce the downstream carbon footprint

Colas is also committed to extending its customer offering to include solutions for lowering the carbon cost associated with designing and running projects.

### 2.2.6.3.4.1. Low-carbon alternatives

Colas has for many years [29] sought to offer its (public sector) customers environmentally friendly alternatives to reduce the use of carbon and materials. It does this by changing the choice and quantity of materials laid down in specifications, though without diverging from specified performance requirements. Such alternatives often rely on the use of materials sourced more locally and greater use of recycling. Moreover, it is important to emphasize that such alternatives usually result in a lower cost to the customer. In France, such alternatives rely on the Seve® software, approved by public authorities. Regrettably, these efforts have had little success, with public works contracts still heavily reliant on technically and legally conservative basic solutions. Such low-carbon alternatives are currently only used in less than 0.1% of projects won by Colas worldwide. Furthermore, the number of such projects decreased 67% in 2020, with the result that the amount of $CO_2$ avoided fell sharply, down 59% to its lowest ever level of 1,279 metric tons. The SustainEuroRoad project, subsidized by the European Union and spearheaded by Routes de France (formerly USIRF, a French road industry association), in which the Colas Group is involved, could speed up this revival to overcome market indifference.

### 2.2.6.3.4.2. Driving and parking assistance

Many studies have shown that vehicle congestion and time spent looking for parking spaces represent an exorbitant cost in terms of not only lost productivity and societal frustration but also pollution and greenhouse gas emissions. Against this backdrop, a significant portion of Colas' innovation policy is focused on techniques and applications dedicated to these issues under the Mobility by Colas initiative (refer to Section 3.4, "Innovative and sustainable solutions for a better living environment").

### 2.2.6.3.4.3. Just-in-time maintenance

The issue of how and when to maintain road and rail infrastructure remains unresolved in most countries. If maintenance is carried out too late, it involves more work, which costs more and entails a higher carbon cost. Independently of efforts to promote virtuous contractual approaches in this area, such as the use of PPP and concessions, Colas has for decades been developing increasingly effective tools for populating predictive maintenance programs, whether for infrastructure itself or the associated urban equipment. Progress has been made by using the Internet of Things to make infrastructure "smart" and using inspection and testing systems powered by the latest technology combined with expert data analysis software. Among the most recent fruit of innovation in this area is the ANAIS system (refer to Section 3.4, "Innovative and sustainable solutions for a better living environment").

## 2.2.6.3.5. Summary of prospective reductions at Colas

The following table, which has been monitored for the past several years, shows the current status of reliably measured actions:

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Greenhouse gas emissions avoided by Colas' actions** (metric tons of $CO_2$ equivalent/year) | World | All Activities | 483,000 | 417,000 |

(29) *Ecologiciel® was the first software developed by Colas (in 2006) to offer Colas' public sector customers low-carbon alternatives. This system was subsequently replaced by Seve®, developed by the French road industry, which is currently in the process of being expanded across the European Union with the support of the European Commission.*

## 2.2.6.4. THE CIRCULAR ECONOMY

Colas' approach to reducing the consumption of raw materials (essentially aggregates and bitumen) is based on the following action plan:

— optimizing and maximizing recycling of all types of excavation material, demolition debris and inert waste produced by construction and public works projects. Colas has developed indicators to track the amounts of materials effectively recycled at its industrial facilities in order to compare these amounts to the volume of new materials produced, rather than simply record the amount of waste generated by its worksites or the amount of recycled materials Colas reuses. This decision serves two purposes: it improves data reliability and encourages the subsidiaries to invest in materials recycling equipment. The aim of this approach is therefore not to track total consumption, the interpretation of which has proven too complex to allow proactive action plans to be developed. For example, some totals may increase with revenue while others decrease due to changing market conditions (such as bitumen consumption, the increasing proportion of service and maintenance activities, and the development of new activities);

— developing new products at Colas' R&D laboratories based on a sustainable design approach that seeks to minimize the use of raw materials, particularly non-renewable resources (see Section 3, "Value chain and innovation");

— developing and offering low-carbon alternatives: for many years now, Colas has led the way in offering its customers environmentally friendly alternatives and in developing "eco-comparison" tools for assessing these alternatives.

Colas is one of the world's five biggest recyclers across all sectors and materials. A leading producer and user of construction materials, Colas recovers and recycles its waste and site demolition materials in its road construction, and more generally also waste and materials from other construction and public works professionals and even other industries (mirror glass waste, broken porcelain, shoe soles, etc.). In total, this amounts to more than 17 million metric tons a year (compared with 16 million metric tons in 2019). This positioning is continuing to improve and is particularly robust in that it corresponds to a very fine network of recycling sites across practically all regions where Colas operates (numerical targets are available in Section 6.3.3.2, "Recycling asphalt mix and aggregates").

Since most of the materials that Colas uses are relatively heavy, recycling must be optimized at a very local level to minimize transportation requirements. By using short supply chains wherever possible to maximize the use of local resources and favoring sites that adopt an integrated industrial ecology approach, Colas helps each local area develop using its own materials while minimizing waste: road construction activities are able to achieve virtually zero waste provided that recycled materials are accepted by customers and authorized recycling sites to combat the use of landfill sites.

### 2.2.6.4.1. Aggregates

Aggregates are the resources most used by human beings, after water. Public works account for the bulk of this consumption, with road construction alone making up more than half of it. Aware of the responsibility that results from this, Colas has been developing recycling techniques for over 40 years and has disseminated them across all of the regions where it works. Today, around 460 Colas sites transform used materials to turn them into public works materials. This avoids exploitation of around 50 quarries worldwide and an even larger number of landfill sites.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Quantity of recycled materials produced** (in millions of metric tons) | World | All project and materials production activities | 9.2 | 7.8 |
| **Ratio of materials recycled to total aggregates produced** (as % of quantity) | World | All project and materials production activities | 10 | 9 |

In 2020, Colas recycled and recovered 7.8 million metric tons of materials. This represents almost 9% of its total aggregate production and worldwide savings equivalent to the production of 28 medium-sized Colas quarries. The amount of recycled materials declined significantly in 2020, down 1.4 million metric tons, a 16% reduction relative to 2019. This trend is reflected in the following regions in particular: France (down 22%), United States (down 9%), EMEA (down 9%) and Canada (down 6%). These reductions were mainly due to a significant decline in activity in these geographical regions as a result of the Covid-19 crisis.

### 2.2.6.4.2. Bitumen

Reclaiming asphalt pavement makes it possible to reduce consumption of bitumen (a non-renewable petroleum resource) by reusing that contained in the aggregates recovered when repairing or demolishing roads. Asphalt mix, the surfacing used for most road systems throughout the world, consists of a mixture of about 5% bitumen with aggregates. Reclaimed asphalt pavement (RAP) comprises the materials recovered from the milling or demolition of roadways before new asphalt mix is applied. Recycling asphalt mix when repaving a road offers three advantages:

— saves energy and reduces greenhouse gas emissions (see Section 6.3.3.2, "Recycling asphalt mix and aggregates");

— enables the reuse of bitumen (a non-renewable natural resource), and aggregates;

— reduces road construction costs for the customer (often public sector) at identical levels of quality and performance.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Quantity of reclaimed asphalt pavement** (in millions of metric tons) | World | Mixing and asphalt plants | 6.2 | 6 |
| **Percentage of reclaimed asphalt pavement with bitumen recovery** (as % of quantity) | World | Mixing and asphalt plants | 16 | 16 |

For several years, Colas has been monitoring progress on the reintroduction of reclaimed asphalt pavement into asphalt mixes. In 2020, reclaimed asphalt pavement on average accounted for 16% of Colas' global production of asphalt mix: approximately 309,000 metric tons of bitumen were thus recycled, the equivalent of the annual bitumen production of a medium-sized refinery.

The percentage of reclaimed asphalt pavement in 2020 was stable relative to 2019. Although the quantity of RAP used declined slightly in 2020 (down 2%), this had little impact on the percentage of reclaimed asphalt pavement used, since total production of asphalt mix also declined slightly in the year (down 2%).

Meanwhile, the quantity of reclaimed asphalt pavement reused trended slightly downward in France (down 6%) and the United States (down 7%). Conversely, quantities increased significantly year on year in the Morocco, Central Africa and West Africa region (up 260%) and the Asia-Pacific region (up 100%).

### 2.2.6.4.3. In-place road recycling

In-place road recycling – which involves removing the asphalt mix from a road, adding a binder to it at the worksite and repaving the road with the resulting mix – saves a great deal of energy by considerably reducing the need to transport materials. Substantial amounts of aggregates are also saved since the material removed from the road is recycled in place.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Surface area of road recycled in place** (in millions of $m^2$) | World | Sites | 7.4 | 9.8 |

The surface area of road recycled in place increased sharply in 2020, up 34% relative to 2019 to a total of 9.8 million square meters. This sharp increase was mainly driven by construction work carried out by the subsidiaries Miller (Canada) and GTR (Morocco), and the first-time consolidation of Asfalcura in Chile.

### 2.2.6.4.4. Environmentally friendly alternatives

Environmentally friendly alternatives are often a prime opportunity to move the circular economy forward by favoring local materials supply chains, shortening transportation distances, making savings on materials at the design phase, recycling locally available materials, making savings on transportation and energy, and so on. Colas invests significant effort in promoting its expertise as an innovative, regionally based group, reflecting one of the most fundamental aspects of its business model. It must, however, be recognized that these efforts have met with only modest success (cf. Section 6.3.4.1, "Low-carbon alternatives"):

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Number of low-carbon alternatives offered to customers** | World | Sites | 121 | 92 |

The number of environmentally friendly alternatives on offer in 2020 reflects the current state of the market and the difficulty of offering such alternatives. Only 17% of environmentally friendly alternatives proposed were taken up. Within the road construction industry, Colas is playing an active role in efforts to give new impetus to environmentally friendly alternatives, especially now that the French SEVE® eco-comparison tool is attracting genuine interest in Europe.

### 2.2.6.4.5. Waste prevention and management

As part of its effort to measure its waste management performance, Colas has developed a specific indicator to monitor the management and disposal of waste oils generated by all its subsidiaries and business lines. In most countries, waste oil is subject to special hazardous waste regulations and is the main hazardous waste generated by Colas' business activities. The indicator is calculated based on the ratio of used hydraulic and motor lubrication oil that is either disposed of by a certified channel or responsibly recovered, relative to total oil purchased.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Waste oil recovery rate** (as % of quantity) | World | All Activities | 70 | 84 |

Regarding waste oil, the optimum oil-recycling ratio is considered to be 80% if the oil that is consumed and burned by vehicles and machinery is taken into account. Colas' recycling ratio rose 14 points in 2020, exceeding this optimum level. In particular, oil recycling rates rose significantly in Canada (up 57 points) and in rail activities and water and energy distribution activities (up 27 points).

The management of all types of waste is monitored and assessed pursuant to ISO 14001 certification requirements and at annual self-assessments using checklists. Furthermore, compliance levels for this "Waste" component are available in Chloé, the digital environmental checklist system (see Section 6.2.1, "Risk prevention policy for environmental certification and self-assessment").

## 2.2.6.5. BIODIVERSITY AND ECOSYSTEMS

Climate disruption and the collapse of biodiversity are both key environmental challenges. As regards biodiversity, the first report produced by IPBES for the UN in 2019 did a lot to raise public and government awareness in most of the countries where Colas operates, and particularly in France, where an international plenary session was held to finalize the report. The report highlighted five factors responsible for this collapse, in descending order of importance: (1) changes in land and sea use; (2) direct exploitation of organisms; (3) climate change; (4) pollution; and (5) invasive alien species.

Colas, which is affected by factors 1, 3, 4 and 5 (climate disruption is covered in Section 6.3, "Energy and carbon", and pollution is covered in Section 6.2, "Risk prevention policy", and Section 6.6, "Water management"), has already done a lot of work on some of these issues: its first attempt at a formal biodiversity policy dates back to 2011 and was accompanied by performance indicators and a methodological guide. In keeping with its emphasis on practical solutions, Colas has not sought to adopt systemic approaches such as calculating the ecological footprint (the scientific basis of which remains to be validated), monetizing ecosystemic services (which are often overly reductive relative to ecosystems' intrinsic richness) or subscribing to the French National Biodiversity Strategy (whose principles the Group considers both too general and administratively cumbersome businesses). Colas has instead sought to incorporate its pro-biodiversity initiatives into simple programs (biodiversity program at extraction sites) and existing tools (ISO 14001, Colas checklists, etc.) while pursuing in-depth dialogue with the scientific community through the French Foundation for Biodiversity Research (FRB) to improve its understanding of the complexity of ecosystemic phenomena.

### 2.2.6.5.1. Changes in land and sea use

The principle here is the three-pronged "Avoid, reduce, offset" approach adopted in French regulations. In keeping with these regulations, Colas is particularly committed to the first two prongs of this approach.

90% by value of all projects delivered by Colas are conducted on sites that are no longer in their natural state: the Group's work leads it to maintain, rebuild or develop areas that have already lost most of their environmental value. Meanwhile, for the remaining 10% of new infrastructure developments, Colas often has no control over how land is used, since the land for its projects (including concessions and public-private partnerships, or PPPs) is made available by its customers. Given the nature of its worksites, Colas therefore rarely has a direct impact on land use, as the land take of its activities is determined by the project owner. Meanwhile, Colas does not authorize the construction of its own industrial facilities on high-quality natural sites. Even though Colas has relatively little interaction with ecosystems, the need to prevent the collapse of biodiversity is so pressing that the Group has nevertheless identified four priorities:

#### 2.2.6.5.1.1. Education

As highlighted by Professor Claude Villeneuve [30] at the Colas Environmental Convention in Montreal in 2018, biodiversity is first and foremost a cultural issue: irrespective of the country, conservation initiatives have little impact if neighboring populations fail to see their benefit or take ownership of them. Colas is thus able to magnify the impact of its initiatives in the field through educational action at the local level, and can even sometimes incorporate such action into participatory science approaches [31] and listen to local knowledge about how to respect and manage nature. Indeed, genuine solutions to the challenges posed by biodiversity will be found only if people take ownership of them on a local and global scale. Against this backdrop, Colas always considers how it might include an educational component in its biodiversity initiatives. Feedback in this area has been very enlightening: Colas employees tasked with explaining their actions to those around them find that, in so doing, they strengthen arguments in support of those actions and thus gain their colleagues' buy-in.

#### 2.2.6.5.1.2. Quarries and gravel pits

All quarry and gravel pit sites are restored when they are shut down and many are progressively restored while still being operated. In addition, the amount of materials recycled is equivalent to the production of about 30 quarries or gravel pits and many more landfill sites around the world (see Section 6.4, "Circular economy").

(30) *Claude Villeneuve is a biologist, former Director of the Institut Européen pour le Conseil en Environnement (European Institute for Environmental Consulting) in Strasbourg, and professor in the Department of Basic Sciences and holder of the Environmental Consulting Chair at Université du Québec à Chicoutimi. He is particularly known for his work taking into account cultural factors, which he successfully introduced into UN environmental frameworks, and his work on the cultural knowledge of First Nations people gained from living in harmony with their ecological niches.*

(31) *Participatory science: An approach that consists of involving citizens in the scientific process, with concomitant educational benefits for those who contribute. For example, volunteer members of the Audubon Society have been carrying out a survey of birds across the whole of the USA every Christmas for over a century, resulting in a database that could only arise from a citizen science approach of this kind.*

Colas has also on occasion identified that its sites had become refuges for remarkable pioneer species (whether animal or plant) that were colonizing the new ecological niche created by the site. In such cases, a systematized approach has been adopted to ensure that each site implements and monitors actions aimed at fostering and facilitating the presence of such species, with the support of skilled naturalists and the provision of educational information for local residents. The program has made steady progress, with key successes including a recovery in the raven population in Brittany, the continued presence of nesting pairs of peregrine falcons in a region of Quebec, and educational initiatives to combat poaching of the giant pangolin in Gabon. The program is tracked using a reliable indicator in place for several years:

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of CAE from aggregate production activities that take action to promote biodiversity** (as % of CAE) | World | 100% of CAE of permanent aggregate production activities | 52 | 44 |

To date, 171 aggregate production sites have implemented biodiversity initiatives, 145 of which relate to species of note and 56 to the creation of beehives. The biodiversity indicator declined 8 points in 2020. This biodiversity effort remains patchy, varying from one cultural context to another: while modest in the United States and Canada, it enjoys strong support in France and Europe, where local residents always show their support and interest.

#### 2.2.6.5.1.3. Road construction and railway projects, etc.

As stated earlier, Colas has relatively little leverage and relatively little impact on ecosystems. For new infrastructure projects, Environmental Protection Plans are usually put in place by customers (whether public or private sector) and added to by Colas staff, an example being the large Route du Littoral Coastal Highway project on Reunion Island, where Colas staff received an award in recognition of their efforts to protect marine mammals at the project site.

To curb growth in the amount of space dedicated to transport infrastructure and decorrelate it from growth in the human population, Colas offers innovative solutions for optimizing traffic and making more effective use of existing infrastructure (see Sections 3.4.1, 3.4.2, 3.4.4 and 3.4.5 in Section 3.4, "Innovative and sustainable solutions to improve living conditions"), in keeping with its business model focused on developing infrastructure that promotes sustainable mobility.

#### 2.2.6.5.1.4. Ecological engineering

Colas has for decades been carrying out one-off projects to restore or protect ecosystems. The Group also draws on long experience of restoring ecosystems at its quarries and gravel pits.

Today, such preservation, restoration and offsetting projects are increasingly common, and the proportion of standard projects that incorporate an ecological engineering component is rising steadily in some countries, and particularly in France. On the strength of feedback from its subsidiaries in the field, Colas decided to develop its activities in this area by capitalizing on its teams' existing skills, putting in place regional champions, pooling expertise and identifying opportunities to innovate, whether in natural or urban ecosystems. In France, Colas is already recognized as a pioneer in ecological engineering thanks to its highly motivated and skilled staff, in keeping with the expectations of many stakeholders. This networking approach fosters relationship-building with scientists in the fields of plant-based and ecological engineering as well as with design firms specializing in ecological surveys.

### 2.2.6.5.2. Invasive alien species

Colas is an unintentional local propagator of invasive exotic plant species in its minor terracing works: Excavating a few cubic meters of earth in one place and depositing it at another site a few miles away can inadvertently transfer seeds or rhizomes. The deliberate or accidental human introduction of invasive alien species threatens ecosystems, habitats and native species, with adverse ecological, economic and health consequences: examples of such species include ambrosia and the Asian hornet.

Colas was one of the first companies to own up to this problem, made all the more tricky by the shortage of available eradication and prevention solutions, most of which would increase the cost price per cubic meter excavated by a factor of 100 or 1,000 – as in the case, for example, of contamination by knotweed propagules in Japan. Colas is thus committed to dialogue with the scientific community, and in particular the FRB (French foundation for biodiversity research); it is one of the few companies to have been part of the FRB's strategic steering committee since 2011. In this context, it encourages research (in November 2018, it awarded a prize to a young researcher in the category "Biodiversity and the fight against invasive species.") and is mobilizing a growing number of subsidiaries to discuss and experiment with pragmatic solutions as part of its work on ecological engineering.

### 2.2.6.6. WATER MANAGEMENT

Water consumption is more important in some parts of the world than in others. In general, Colas subsidiaries must take local water requirements into account, especially considering that water consumption by Colas' business lines is fairly low. Water management is one of the criteria in the ISO 14001 standard (see Section 6.2.1, "Risk prevention policy"). Colas has nevertheless put in place two targeted programs.

#### 2.2.6.6.1. Protecting water resources from pollution

The main environmental risk for Colas' materials plants is generally considered to be the risk of gradual pollution resulting from accidental spillage into the aquatic environment (via rivers, sewage drains, aquifers, etc.): Colas has thus defined surface water and groundwater protection requirements to guard against the impact of accidental or everyday pollution at its fixed production and maintenance sites. The sites follow strict guidelines, backed up by Colas checklists, to ensure that they are or can be completely isolated from the surrounding environment. A specific indicator has been extracted from checklists to monitor progress on managing this risk: if a site meets a list of ten or so criteria, it is more or less physically impossible for that site to pollute water resources:

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of materials activities with procedures in place to manage wastewater discharges** (as % of CAE) | World | 100% of CAE of materials production activities | 22 | 26 |

26% of CAE from Colas' global materials production activity meets all these requirements. This percentage rose 4 points relative to 2019. It should be noted that this percentage represents criteria which are very difficult to meet completely at a single site, especially at older or very large facilities. But it is still an excellent indicator of the vulnerability of Colas' sites and illustrates the necessity of its environmental risk management systems.

#### 2.2.6.6.2. Colas business units located in areas facing extremely high water stress

In 2015, Colas introduced new indicators to measure and limit the pressure exerted on water resources by its operations in regions where water is extremely scarce. In such regions, any additional use of local water resources can cause problems; the number of such regions around the world is steadily growing, though Colas' water footprint is not a material global priority, with the Group deriving only 6% of its revenue from such regions. In order to limit the pressure exerted by Colas business units on water resources in these regions, action plans aim to increase subsistence consumption of water, encourage recycling and reduce waste.

The methodology used to assess the Colas operating regions concerned is based on the interactive "Overall Water Risk – Baseline Water Stress" map published on the website of the World Resources Institute. The water consumption of Colas' fixed facilities in these areas in 2020 is estimated to be under 2 million cubic meters.

These indicators continued to become more reliable in 2020, both in terms of the business units in question taking ownership of what the indicators are telling them and in terms of water management at these locations. The concept of extremely high water stress is not based solely on climate considerations but also on overexploitation or poor management of water by populations.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of stationary activities (in terms of CAE) located in areas facing extremely high water stress** (as % of CAE) | World | 100% of CAE from permanent facilities | 5 | 6 |
| **Water self-sufficiency rate of areas facing extremely high water stress** (as % of $m^3$) | World | 100% of CAE generated by stationary activities in areas facing extremely high water stress | 77 | 40 |
| **Percentage of CAE generated in areas facing extremely high water stress for which an action plan has been implemented** (as % of CAE) | World | 100% of CAE generated by stationary activities in areas facing extremely high water stress | 60 | 47 |
| **Percentage of water consumption in areas facing extremely high water stress for which an action plan has been implemented** (as % of $m^3$ consumed) | World | 100% of CAE generated by stationary activities in areas facing extremely high water stress | 78 | 37 |

In 2020, the number of sites in areas experiencing extremely high water stress increased slightly due to a change in the baseline map. While the bulk of such sites consist of quarries and gravel pits, they also include workshops, depots, binder plants, asphalt mixing plants, ready-mix concrete plants and recycling platforms.

In addition to reducing water consumption in these localities, a key objective for Colas is to increase water self-sufficiency so as to minimize disruption of the water cycle and downstream water use. The water self-sufficiency indicator declined sharply in 2020, coming out at 40%. The objective of this indicator is for most of the water consumed to be obtained internally and not from the local water system. This preserves access to water resources for other local users.

By tracking its action plan progress indicators, as part of a continuous improvement process, Colas is able to monitor and reduce pressure on water resources in areas facing extremely high water stress. Implementation of action plans declined between 2019 and 2020 for both CAE and water consumption, mainly as a result of changes in scope arising from changes in the baseline map.

## 2.2.7. Local presence and adapting to local needs

Colas' policy has always been to pursue long-term integration in the areas where it operates: this is at the heart of the Group's business model, which revolves around a sustainable, lasting presence in local areas through local operations on a human scale. This results in genuine solidarity between Colas staff and the areas where they work. This is a more or less completely intangible component of Colas' worldwide culture: both in France and internationally, local populations are highly sensitive to this relationship of solidarity, which is spontaneously recognized as being associated with the Colas brand.

### 2.2.7.1. ADAPTING RULES

The issue of adapting general policies to the reality of local conditions has been the subject of lively debate among Colas' stakeholders, as stated in § 2.1 of Section 2, "Governance of responsible development". The obvious conclusion is that this kind of adaptation, while inevitable, must be managed in such a way as to avoid harmful excesses that could detract from the global consistency of the Colas Group. The Group's approach to managing this issue is based on a principle of exemption and a governance structure:

- principle: no local adaptation must produce an inferior result to what other companies have successfully achieved in the same local area;
- governance: moreover, such exemptions must be controlled and authorized by the relevant corporate departments, and may even be subject to prior approval by the Executive Management Committee of Colas.

In some extreme cases, this may lead to an operation being shut down when it is no longer possible to adapt to local constraints without compromising certain principles: in the past, Colas has already had to resort to temporarily or permanently shutting down sites due to security or corruption issues. Such decisions are never easy, since they always leave local staff facing the difficulties that prompted Colas to pull out of their country.

Conversely, some adaptations make sense: Colas has had some success in withdrawing from use some products that are hazardous to health, safety or the environment, except in certain countries where their use is required by the public authorities; rather than pulling out and forfeiting any further opportunity to improve these markets, especially when pulling out would have no impact on the market itself, Colas has authorized its subsidiaries to use the products in question subject to three conditions:

- they commit to constantly lobby the authorities in the country in question to convince them to withdraw the products, reporting annually on this commitment;
- their use of such products is controlled through specific risk assessments and that very restrictive measures are in place to protect people and/or the environment, as applicable;
- they obtain sign-off for such exemptions from the relevant corporate department of Colas, report on them annually and submit themselves to enhanced audits.

For example, this approach is being introduced to authorize the use of cutback bitumen in those few countries where local authorities still require this technique – now prohibited throughout the rest of the world – to be used on most projects.

This approach as a whole aims to meet the aspirations of Colas' internal and external stakeholders: to adapt locally while strengthening the overall consistency of the Colas brand as expressed in the One Colas corporate plan, and to make this trade-off more transparent. This debate, which is central to the success of the Group's business model, has been going on at Colas for over half a century.

### 2.2.7.2. SOCIAL ACCEPTANCE AND LOCAL DIALOGUE

The notion of social acceptance allows for the creation of an idea of economic development that takes account of the positive and negative impacts of Colas' activities overall in a given region. This means taking into consideration Colas' relations with its stakeholders and being able to listen to their expectations. In keeping with Colas' culture, management of stakeholder relations is decentralized, while a global approach is favored for issues faced by the Group as a whole.

Colas manages a large number of production sites for construction materials (aggregates, ready-mix concrete, asphalt mixes, bitumen, emulsions, and others). The acceptance of these sites, particularly by local residents, is an increasingly sensitive topic throughout the world. Concerns raised include those relating to nuisances (odors, dust, traffic, noise) and risks of environmental or health impacts. Colas has identified community acceptance as one of its key priorities for Social Responsibility and has initiated action plans focused on two areas:

— exemplary production sites: each site must implement progress measures that go beyond mere compliance with administrative or regulatory requirements. The preferred approach is to obtain environmental certification and use Colas checklists (see Section 6.2.1, "Risk prevention policy");
— dialogue initiatives with neighboring communities, local governments and the relevant authorities: maintaining an open dialogue with local communities makes it possible to better understand their expectations, explain the reality and constraints of production sites, and promote mutual understanding to prevent crisis situations.

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Percentage of CAE from materials production activities with an organization for local dialogue** (as % of CAE) | World | 100% of CAE of materials production activities | 44 | 43 |

A local dialogue indicator was introduced in 2006 to measure the extent of this dialogue with local communities, local elected officials, and the competent government agencies: Colas is considered a pioneer through its use of this indicator. This indicator held relatively steady in 2020, falling very slightly as a result of the change in CAE. Furthermore, a working party governed by the processes of the themed information sheets has been set up to implement the tools that will allow for progress in this area, with the aim of passing the 50% mark within the next two years.

As regards its work sites and new production sites, Colas aims to identify and anticipate the risks of blockages relating to social and societal contexts (population displacement etc.), cultural contexts (sacred ground etc.) and environmental contexts (protected species, water stress etc.), as well as disturbances (noise, vibration, dust, smells, visual pollution, light pollution, etc.). It is developing a structured and proactive system for listening, consulting and dialoguing with stakeholders so as to take into account their expectations (open days; meetings; raising awareness about recycling; "Colas and me" and "Hello Travaux" smartphone apps to help local residents stay informed and be in touch with superintendents to ask questions or make comments; etc.).

Initiatives in this area include successful trials by the Colas communication center at the Boulevard de la Marina site in Cotonou (Benin) and ongoing daily dialogue with residents in connection with the Portsmouth PPP project (United Kingdom). This constitutes a genuine commitment by Colas site staff, who are expressing a simple reality: the maintenance and construction of transportation infrastructure aims to foster connections between people, cultural exchange and economic development within regions; streets, roads and railways thus *de facto* form the first social network within and between regions.

## 2.2.7.3. SOCIOECONOMIC IMPACT AND PARTICIPATION IN LOCAL LIFE

Due to the nature of its activities, whether in terms of long-term operations or major projects, Colas has a socioeconomic impact on the regions where it operates through both job creation and local purchasing. In addition to this role, it supports general interest initiatives in the fields of education and humanitarianism, culture and heritage, scientific research etc.

### 2.2.7.3.1. Local employment

Colas operates in more than 50 countries across five continents. As regards employment, Colas prefers to train and internally promote locally recruited staff wherever possible, as demonstrated by the extremely small number of expatriate employees around the world: approximately 300 people from around 20 countries, out of a total of around 25,000 employees outside France.

### 2.2.7.3.2. Local purchasing

As regards purchases, Colas' activities are decentralized and in this respect a significant proportion of purchasing is done locally via the network of suppliers in each country and each region in which Colas operates. Colas helps preserve local economies in the areas where it operates, also working to improve economic vitality, by adopting several principles:

— framework agreements signed at Colas Group level are with companies that are predominantly represented locally;
— preference is given to local suppliers and subcontractors in the case of similar offers from several bidders, unless there is a strategic reason to prefer a non-local product or service.

### 2.2.7.3.3. Corporate citizenship

Participating in local life also involves responsible corporate patronage and sponsorship activities governed by guidelines set out in Colas' compliance policy (Section 5, "Ethics and human rights").

| Name of indicator | Scope | Coverage | 2019 | 2020 |
|---|---|---|---|---|
| **Patronage: Cash donations** (in millions of euros) | World | 100% of CAE of all activities | 2.9 | 2.8 |
| **Patronage: In-kind donations** (value in millions of euros) | World | 100% of CAE of all activities | 0.22 | 0.37 |
| **Sponsorship: Cash expenditures** (in millions of euros) | World | 100% of CAE of all activities | 3.7 | 2.4 |
| **Sponsorship: In-kind expenditures** (value in millions of euros) | World | 100% of CAE of all activities | 0.011 | 0.022 |

Total patronage donations (in cash and in kind) declined nearly 4% between 2019 and 2020. These donations mainly related to solidarity-based and humanitarian initiatives, reflecting a strong commitment to helping local people cope with the Covid-19 pandemic. Total sponsorship expenditure declined 35% between 2019 and 2020 amid the public health crisis (due to activity shutting down and cautious budgeting). As in previous years, sponsorship focused on sports.

In 2020, Colas SA kicked off a review of its patronage and sponsorship policy with the aim of focusing it on those areas most closely aligned with its social commitments and most likely to resonate with all employees in the 50 countries where the Group operates.

## NOTE ON METHODOLOGY

With Ministerial Order No. 2017-1180 of July 19, 2017, and Decree No. 2017-1265 of August 9, 2017, France has implemented the EU directive of October 22, 2014, relating to the disclosure of non-financial information, and amended Articles L.225-102-1 and R.225-104 to R.225-105-2 of the French Commercial Code accordingly.

Specifically, the "Article 225" system under the Grenelle II Act has been replaced, for fiscal years beginning on or after September 1, 2017, by the obligation to prepare a "non-financial performance statement".

Colas' 2020 Non-Financial Performance Statement reflects the principles set out in the new legislation. As part of the Group's continuous improvement process, changes to this document are planned every year. It includes sections covering the following topics:

**I Group business model**

**II Social responsibility approach**

1. Revised policy
2. Governance of social responsibility
3. Value chain and innovation
4. Human capital
5. Ethics and human rights
6. Environment and carbon
7. Local presence and adapting to local needs

In light of its activities, Colas does not consider that it has a significant impact on the following societal issues:
- combating food waste;
- combating food insecurity;
- promoting animal welfare;
- responsible, fair and sustainable food.

### Indicators monitored by the Human Resources Department

Indicators monitored by the Human Resources Department are calculated on the basis of a calendar year from January 1 to December 31. The scope of companies considered in their calculation is a subgroup of the scope of financial consolidation.

For 2020, the calculation rules for employee indicators were the following:
1. **fully consolidated companies are 100% consolidated;**
2. **proportionately consolidated companies are 100% consolidated if the percentage owned is above 50%, while the remainder are excluded from the scope;**
3. **equity-accounted associates are excluded.**

Colas makes the scope of its employee reporting as wide as possible in order to reflect the activities of its companies in France and around the world. Employee reporting at Colas is common to all entities worldwide. The software that produces these indicators interfaces with the payroll management system in France (rollout of a global payroll management system began in 2019) and with the World Activity Report consolidation process. Indicators are consolidated according to the definitions found in the Bouygues Group's employee reporting protocol.

### Section 2.2.4. Human capital

In 2020, around 50% of the indicators were consolidated on a worldwide basis:
— External hires by status and number of leavers
— Workforce by geographic location
— Workforce by age bracket
— Workforce by gender
— Representation of women in the Group
— Number of hours worked
— Existence of a formalized training plan
— Number of employees trained
— Number of days of training
— Total number of employees trained in first aid
— Frequency rate of employee workplace accidents
— Severity rate of employee workplace accidents
— Number of fatal employee accidents
— Number of consecutive lost-time days following workplace accidents

38% of the indicators correspond to definitions that come from the French Labor Code and are therefore consolidated under the “France (Mainland and Overseas)” scope:
— Number of departures (permanent contract staff)
— Number of employees with disabilities
— Number of employees with disabilities recruited
— Revenue with companies that employ people with disabilities
— Employee working time arrangements
— Number of collective bargaining agreements negotiated, including mandatory yearly negotiations
— Average annual wages by status
— Number of people under apprenticeship contracts taken on during the year
— Number of people under vocational training contracts taken on during the year
— Number of employees recognized as suffering from an occupational illness in 2019
— Absence rate

8% of the indicators apply to companies incorporated under French law and those with more than 300 employees outside France:
— Turnout for latest works council elections; existence of an employee representative body
— Percentage of companies outside France providing employee benefits.

## Indicators monitored by the CSR Department

The indicators listed below are strictly defined. They are collected across the world using Xfi – a BFC (BusinessObjects Financial Consolidation) application – and calculated over a non-calendar year from October 1 of year Y-1 to September 30 of year Y (to allow sufficient time for precise data collection, verification, processing and analysis). Following the structural changes made in 2013 and new features added in 2014, the Xfi application has undergone extensive maintenance work since fiscal year 2015.

In 2020, the scope of consolidation for Colas’ environmental and social indicators broadened with respect to 2019 to include the Chile and Peru head reporting entities (ERTs).

For environmental and social reporting, the following rules apply to companies that are acquired, merged, created, abolished or sold in the course of the fiscal year:
— the company is taken into account for reporting for the same period only in Magnitude, the Group’s financial consolidation reporting system;
— companies that are too small to be taken into account in financial consolidation (revenue of less than €2 m) may or may not be included in non-financial reporting for the first fiscal year depending on the specific requirements of the Colas company to which they belong;
— as Colas produces indicators in the form of ratios and percentages, there is no pro forma adjustment of non-financial figures for the previous year to compare them with the current year if the scope is amended.

If for technical reasons an exception is made to one of the three rules listed above, Colas shall provide the reasons for this in a report to this effect in its Non-Financial Performance Statement.

For several years, the indicators used for materials production activities have also applied to companies held with partners outside the Colas Group, and for which Colas does not always have control over environmental aspects (as is the case for example with sites in which Colas has a minority interest). The broad scope of Colas’ responsibility and risk exposure may have a negative impact on indicator results.

In addition, this scope includes small materials production companies, even when their consolidated revenue is lower than the threshold for financial consolidation (€2 million). The total volume of materials produced by these companies can be significant, even though their revenue is often subject to a high rate of restatement, due to Colas' vertical integration.

The rules of consolidation, which were changed in 2013 to more closely resemble those of the financial consolidation, are presented in the table below. However, data from some joint ventures in which Colas is a minority partner could not be incorporated into the Group's non-financial reporting without significantly affecting published indicators.

| | Financial consolidation | Xfi consolidation | ≠ |
|---|---|---|---|
| **Exclusive control**<br>= full consolidation | 100% (between 50% and 100% control) | 100% (between 50% and 100% control) | = |
| **Joint control**<br>= proportionate consolidation<br>*(for GIE consortiums in France, partnerships or joint ventures)* | Application of percentage of control | Application of percentage of control | = |
| **Significant influence or joint ventures**<br>= equity method<br>*(for partnerships or joint ventures)* | Application of percentage ownership (application of percentage ownership to income rather than revenue) | Application of percentage ownership (application of percentage ownership to all data) | ≠ |

### Section 2.2.4 Human capital

- Percentage of warm mix
- Percentage of finishers equipped with a fume extraction system
- Percentage of asphalt planers equipped with a dust extraction system
- Percentage of chlorinated solvents used in closed-loop systems

### Section 2.2.6 Environment and carbon

- Percentage of materials production activities that have environmental certification
- Percentage of materials production activities that carry out environmental self-assessments using Colas checklists
- Percentage of materials production activities that use a tool to manage environmental impact
- Greenhouse gas emissions
- Carbon intensity
- Total energy costs
- Total energy consumption
- Ratio of total energy costs to IAV
- Energy consumed per metric ton of mix produced
- Greenhouse gas emissions per metric ton of mix produced
- Percentage of warm mix produced at hot-mix plants and other asphalt plants
- Percentage of vehicles with on-board telematics
- Percentage of machinery with on-board telematics
- Number of metric tons of materials transported by rail or waterway
- Greenhouse gas emissions avoided by the Group's actions
- Quantity of materials recycled
- Ratio of materials recycled to total aggregates produced
- Quantity of reclaimed asphalt pavement
- Percentage of reclaimed asphalt pavement with bitumen recovery
- Surface area of road recycled in place
- Number of low-carbon alternatives offered to customers
- Waste oil recovery rate
- Percentage of CAE from aggregate production activities that take action to promote biodiversity
- Percentage of materials activities with procedures in place to manage wastewater discharges
- Percentage of stationary activities (in terms of CAE) located in highly water-stressed areas
- Water self-sufficiency rate of highly water-stressed areas
- Percentage of CAE generated in areas facing extremely high water stress for which an action plan has been implemented
- Percentage of water consumption in areas facing extremely high water stress for which an action plan has been implemented

### Section 2.2.7 Local presence and adapting to local needs

- Percentage of CAE from materials production activities with an organization for local dialogue
- Corporate patronage: Cash donations; in-kind donations
- Sponsorship: Cash expenditures, in-kind expenditures

# 3. BUSINESS ACTIVITY

## 3.1. The year 2020

The key figures for fiscal year 2020 are as follows:

| In millions of euros | 2019 | 2020 | Change 2020/2019 |
|---|---|---|---|
| Consolidated revenue | 13,688 | 12,297 | -10% |
| *Of which France* | *6,596* | *5,551* | *-16%* |
| *Of which International* | *7,092* | *6,746* | *-5%* |
| Current operating profit | 433 | 254 | -€179 M |
| *Current operating margin* | *3.2%* | *2.1%* | *-1.1 pt* |
| Operating profit | 405 (1) | 185 (2) | -€220 M |
| Consolidated net profit attributable to the Group | 261 | 94 | -€167 M |
| Net cash flow | 780 | 641 | - €139 M |
| Free cash flow (3) | 341 | 671 | +€330 M |
| Net surplus (debt) | (367) | (7) | +€360 M |

*(1) Including €28 million in non-current expenses mainly related to the dismantling of the Dunkirk refinery site and to structural adaptation costs.*
*(2) Of which €69 million related to the costs of reorganizing the road segment in France and the continued dismantling of the Dunkirk site.*
*(3) After change in working capital requirements.*

In 2020, revenue at Colas amounted to €12.3 billion, down 10% from 2019 (-9% at constant scope and exchange rates). This decrease mainly concerns France (-16% and -14% at constant scope), where activity in the first half-year was impacted by the initial lockdown, during which revenue dropped 24% at constant scope, compared to a drop of only 6% at constant scope for the second half-year. At €6.7 billion, revenue in the International units was more resilient, with a decline that was limited to 5% from 2019 (-3% at constant scope and exchange rates). Business outside of France now represents 55% of total revenue, compared to 52% in 2019. In France, revenue amounted to €5.6 billion, or 45% of the total, against 48% in 2019. Overall, business held up well during the 2nd half year, down only 5% from the 2nd half of 2019, and helped partially offset the first half slump at -17%, compared to the first half year of 2019. The decrease in revenue over the full year (-€1.4 billion) is mainly due to the health crisis (-€810 million estimated for the first half of 2020) and the disposal of Smac (-€141 million).

The Roads segment posted a 10% drop (-9% at constant scope and exchange rates). The France – Indian Ocean zone represents three-quarters of this decrease with -14% at constant scope and exchange rates. The EMEA zone (Europe, Middle East, Africa) was much less impacted, with -4% at constant scope and exchange rates. The United States saw a decline in activity limited to 5% at constant scope and exchange rates, while activity in Canada, driven by particularly favorable weather conditions, remained stable at constant scope and exchange rates. Finally, in the Asia-Pacific zone, the decline was 15% at constant scope and exchange rates. The Sales of Materials segment was down 10%, comparable to the decline in revenue for the construction segment.

Business in Railways and Other Activities is down 14% (-4% at constant scope and exchange rates). Colas Rail recorded a 3% drop at constant scope and exchange rates, boosted by good performance in its international units, particularly in Great Britain, making it possible to offset the decline in revenue in France.

Current operating profit amounted to €254 million in 2020 compared to €433 million in 2019, down €179 million. This amount should be compared to the impact of the health crisis on current operating profit for the first half year, estimated at around -€190 million (loss of current operating profit and unavoidable expenses). The current operating margin stood at 2.1% in 2020 against 3.2% in 2019, or -1.1 points.

Non-current operating expenses for 2020 amounted to €69 million, related to the costs of reorganizing the Roads business in France and continued work on the dismantling of the Dunkirk refinery site. These charges should be compared to €28 million in 2019, mainly related to dismantling work at the refinery site and to structural adaptation costs.

Operating profit therefore amounted to €185 million compared to €405 million in 2019, down €220 million.

The cost of net debt amounts to €27 million, compared to €33 million in 2019.

2020 tax expense stood at €86 million, compared to €141 million in 2019, down €55 million.

The share of income from joint ventures and associates amounted to €38 million compared to €43 million in 2019, down €5 million.

Finally, net profit attributable to the Group reached €94 million in 2020 compared to €261 million in 2019, a decrease of €167 million.

In 2020, Colas sharply reduced its net debt, which dropped to €7 million at the end of December 2020 against €367 million at the end of December 2019, with a breakdown as follows:

- €358 million in free cash flow was reported, down only €13 million, thanks to tight control of gross capital expenditure, which fell by €104 million over the period to €304 million, as well as an increase in disposals of €33 million over one year, to €120 million;
- a sharp drop in working capital requirements at €313 million, down €343 million over one year. The improvement in WCR is mainly due to the contraction in activity, but also to actions rolled out across operational units to speed up the processing of receivables and reduce stocks;
- net cash used in fixed assets totaled €41 million, notably including the acquisition of the assets of Granite Contracting in the United States in the first quarter of 2020, compared to €8 million in 2019;
- dividends paid out in the amount of €212 million in 2020 compared to €183 million in 2019.

Shareholders' equity amounted to €2.6 billion as of December 31, 2020 compared to €2.9 billion as of December 31, 2019.

# 3.2. Business in 2020

The breakdown of revenue by business segment is as follows:

| In millions of euros | 2019 | 2020 | Change 2020/2019 | Change at constant scope and exchange rates |
|---|---|---|---|---|
| Roads Mainland France/Overseas France & Indian Ocean | 6,077 | 5,187 | -15% | -14% |
| Roads EMEA (Europe, Middle East, Africa) | 2,219 | 2,104 | -5% | -4% |
| Roads United States | 1,780 | 1,700 | -4% | -5% |
| Roads Canada | 1,775 | 1,731 | -2% | = |
| Roads Asia – Pacific | 402 | 351 | -13% | -15% |
| **Total Roads** | **12,253** | **11,073** | **-10%** | **-9%** |
| **Railways and other Activities** | **1,410** | **1,209** | **-14%** | **-4%** |
| **Parent company** | **25** | **15** | **ns** | **ns** |
| **Total** | **13,688** | **12,297** | **-10%** | **-9%** |

## 3.2.1. Roads

**(Revenue for 2020: €11.073 billion)**

In 2020, revenue in the Roads segment [32] amounted to €11.1 billion, compared to €12.3 billion in 2019, a 10% decrease (-9% at constant scope and exchange rates). The Roads business represents 90% of the Group's total revenue.

The revenue figures and percentage of total revenue can be broken down into two segments:

- road construction and maintenance (including road safety and signaling): €8.9 billion, or 72% of total Group revenue;
- sales of construction materials to third parties: €2.2 billion, or 18% of total Group sales.

### 3.2.1.1. ROADS IN MAINLAND FRANCE, OVERSEAS FRANCE AND INDIAN OCEAN

**(Revenue in 2020: €5.187 billion)**

The Roads segment in Mainland France, Overseas France and the Indian Ocean posted revenue at €5.187 billion in 2020, down 15% compared to 2019 (-14% at constant scope and exchange rates).

#### Mainland France

Revenue for Roads in Mainland France amounted to €4.705 billion, down 14% from 2019.

Business at the road subsidiaries was strongly impacted by the consequences of the Covid-19 pandemic, as all activity came to a halt at construction sites and industrial facilities during the first total lockdown in mid-March. The standstill was followed by a gradual re-opening framed by dedicated

(32) *This chapter presents business in 2020 by operating segment. The Roads segment described herein includes the construction and maintenance of road infrastructure, including road safety and signaling, as well as the construction materials business (sales of materials to third parties). These two businesses are combined in one segment because this is the way in which business units in the Group operate. Colas' road subsidiaries perform construction and maintenance of road infrastructure, and they produce construction materials and sell them to third parties.*

health protocol as of April, and a return to normal in June, boosted by good weather. The municipal elections were held in 2020, so the number of projects put out for bid fell during the post-electoral period, in addition to the health crisis.

In 2020, the Roads segment in Mainland France was reorganized into four operational zones covering the entire country, in a view to create a single legal company – Colas France – on January 1, 2021, to replace the six existing Colas regional road subsidiaries. The objective of this transformation is to foster cross-disciplinary exchange and optimize operations.

The Road Safety and Signaling market in which Aximum operates seem to be stabilizing but competition remains tight because of production overcapacity, both in the Construction and Services segments, and in industrial activities (road paint, signage, signaling).

In total, 39,000 projects were carried out by the Roads and Road Safety and Signaling subsidiaries in Mainland France in 2020.

Projects worthy of mention include: continuation of the widening to 6 lanes of a 25 km section of the A10 motorway between Veigné and Sainte-Maure-de-Touraine, and a section of the A41 North near Annecy; repaving a section of the A71 motorway in the Allier; continuation of works to extend the port of Calais; start of the design, build and repaving project on the north runway and a taxiway at Nice Côte-d'Azur airport; repaving the surface course of the Grand-Prix track of the Magny-Cours racing circuit, in the Nièvre; completion of construction work on line B of the Angers tramway; in the Paris region, as part of the Greater Paris metro project, the continuation of construction and extension work on the T4 and T12 Express tram lines, metro lines 16 and 17, and excavation and evacuation operations for underground work on metro line 16.

### Overseas France – Indian Ocean

In Overseas France and the Indian Ocean, revenue amounted to €482 million in 2020, down 19% compared to 2019 (-18% at constant scope and exchange rates).

In the **Caribbean and French Guiana,** business trends differ from one *département* to another. In Guadeloupe, in a market driven by investments from local authorities and the private sector, activity was down sharply due to a sluggish relaunch following the first lockdown. Business in Martinique remained impacted by the sharp drop in budgets earmarked for maintenance and investment. In French Guiana, the Group's conventional business in public works and the production of construction materials (quarries, concrete, blocks, etc.) is stable; work started on the finance, design, build and maintain partnership project for the Bus Rapid Transit network in Cayenne.

In **Reunion Island,** the market is tighter and the traditional public works, civil engineering and building segments (hospitals, social housing, commercial areas) are in significant decline in the wake of the Covid-19 crisis. Business in the industrial sector is also down. The causeway construction work for the Nouvelle Route du Littoral (NRL) had been slowed by the lack of available materials, but resumed as part of memoranda of understanding signed with the client.

In **Mayotte,** where the social climate remains tense, the traditional works and production of construction materials business has enjoyed a buoyant market.

In **Madagascar,** traditional business has been impacted by the consequences of the health and social crisis. The project to repair and build runways at Antananarivo and Nosy Be airports carried out as a concession has entered the performance bond phase.

In **Mauritius,** business based on public investments in new road projects (Metro Express, Pont-Fer A1-M1) and maintenance work, as well as on investments in residential real estate was strongly impacted by the Covid-19 crisis.

Among the significant projects completed or underway in 2020, in addition to the start of the construction of line A of the Bus Rapid Transit network in Cayenne, French Guiana, highlights include the completion of civil engineering works for a biomass power plant in Guadeloupe; the repair of the port of Sainte Marie and the construction of housing in Reunion Island; the construction of 76 social housing units in Mayotte; the redesign of the Victoria terminal (bus station, supermarket, car parks, offices) and the completion of road works and flyovers in Port Louis, Mauritius.

## 3.2.1.2. ROADS IN EMEA (EUROPE, MIDDLE EAST, AFRICA)

**(Revenue in 2020: €2.104 billion)**

The Roads business in Europe, the Middle East and Africa represented sales of €2.104 billion in 2020, down 5% (-4% at constant scope and exchange rates) compared to 2019.

### Continental Europe

In continental Europe, revenue from the Roads business amounted to €1.372 billion in 2020, down slightly from 2019 (-3%, and -1% at constant scope and exchange rates). The activity was impacted by the crisis linked to Covid-19 in Belgium and Switzerland while it was able to continue in the other countries throughout Northern and Central Europe.

In **Belgium,** the financial year was marked by the impact of the crisis linked to Covid-19 on activity and by the start of work on the first line of the Liège tram carried out by the consortium made up of Colas Projects, Colas Belgium and Colas Rail Belgium as part of a P3 (design, financing, construction and maintenance). In **Denmark,** in a dynamic market, traditional activity is on the rise. In **Iceland,** the subsidiary enjoyed a high level of activity. In **Switzerland,** the decline in activity was mitigated by the production and sale of aggregates, and work to extend a tram line in Geneva continued.

In **Hungary,** several important projects are underway (M30 motorway, M4 motorway) and the construction of an 11 km section of the M25 motorway has been completed. The production and sale of aggregates recorded a good level of activity. In the **Czech Republic,** work to widen and strengthen an 11 km section of the D48 motorway continued, and construction work for the Velký Beranov bypass was completed. Construction and earthworks on a test track for BMW's future mobility development center in the Sokolov region have started. Traditional activity was at a good level and the production and sale of aggregates has been buoyant. The acquisition of the road construction company Silnice Zacek, which operates in Bohemia, has been completed. In **Poland,** thanks to the acquisition last year of road assets from Skanska (11 asphalt plants), the subsidiary recorded a high level of activity throughout the country. In **Slovakia,** where large public projects are rare, traditional activity (road works, building and civil engineering) is on the decline, impacted by investment delays. In **Romania,** where activity is focused on the production and sale of building materials, the year was satisfactory. In **Croatia,** the works activity is stable, and the production and sale of aggregates is buoyant. In **Slovenia,** in a low volume market, activity is stable. In **Austria,** the products business is stable.

### BIMEA (British Isles, Middle East, Southern and East Africa)

In the British Isles, the Middle East, and Southern and East Africa, revenue from the Roads business was €419 million in 2020, down 15% compared to 2019 (-14% at constant scope and exchange rates).

In the **British Isles**, in the **United Kingdom,** in what remains a highly competitive business environment, activity catering to the investment plans launched by the British government is down as a result of the impact of Covid-19. The transformation plan aimed at better adapting Colas' offer to the market at the regional level via a network of profit centers is ongoing; a major projects business has been launched and the cross-disciplinary initiatives put in place in the industries segment were bolstered. The ASC multi-year maintenance contracts for the road and motorway network in Areas 4 and 12 are nearing completion. In **Ireland,** the subsidiaries benefited from an economic environment that remained favorable despite the Covid-19 crisis. The project involving the widening to six lanes and repaving of a section of the M7 motorway, in a consortium with SIAC Construction Ltd, is nearing completion.

In the **Middle East (United Arab Emirates, Oman, Qatar and Saudi Arabia),** the political and economic environment remains difficult (embargo on Qatar, US sanctions against Iran), and business is down sharply. The units were streamlined, in particular in Oman where business was put on hold. It must be reminded that these subsidiaries are consolidated using the equity method and therefore do not contribute to consolidated revenue.

In **Southern and Eastern Africa,** business, which is primarily in the industrial segment, is still in sharp decline, impacted in particular by a difficult political and economic environment in **South Africa** and a three-month long lockdown. Construction work on Hoima Airport in Uganda, carried out in partnership and funded by UK Export Finance (UKEF), continues. The Kenyan subsidiary was closed. The South African company Dust-A-Side (in which Colas holds 50% of the capital), specializing in the maintenance of access roads to mining sites, continues its international development (Ghana, Botswana, Mozambique, Morocco, Chile, Australia) with the creation of subsidiaries in Canada and India. Note that the company Dust-A-Side is consolidated using the equity method and therefore does not contribute to consolidated revenue.

### MACAO (North Africa, Central Africa, West Africa)

In Morocco, West Africa and Central Africa, revenue from the Roads business totaled €313 million in 2020, up 1% at constant scope and exchange rates compared to 2019.

In **Morocco,** business in the construction and industrial segments was down slightly.

In **West Africa,** business was on the rise. In **Côte d'Ivoire**, where activity is making headway, the project involving the widening and reinforcement of a 125-km section of the Route du Nord between Bouaké and Kanawolo was handed over and the construction contract for two road sections and four engineering structures on the Route de l'Est Road financed by UK Export Finance (UKEF) is nearing completion. The acquisition of the construction materials company CMR Granit was completed. In **Benin,** business is dynamic, bolstered by three large projects: the Boulevard de la Marina, the redesign of the runway at the Cotonou international airport, and the streets of Ouédo.

In **Central Africa** and **Gabon,** where the level of public procurement is declining, the section of the Libreville road maintenance contract financed by UK Export Finance (UKEF) is nearing completion.

## 3.2.1.3. ROADS IN THE UNITED STATES

**(Revenue in 2020: €1.700 billion)**

The Roads business in the United States posted revenue totaling €1.700 billion in 2020, down 4% compared to 2019 (-5% at constant scope and exchange rates).

Against an economic environment that was severely disrupted by the Covid-19 epidemic, in addition to social unrest and uncertainties linked to the presidential elections, all of which led to delays and postponements of transport infrastructure maintenance programs and to a sharp drop in private investment, the Group's business was labelled "essential" by most of the states in which Colas operates, meaning that the profit centers could continue to work. The year was also witness to a good level of order intake and buoyant business in the materials segment. The transportation infrastructure funding program (FAST Act) has been extended until September 2021. The major Los Angeles airport taxiway P construction project is making good headway. The acquisition of the assets of the asphalt production and roadworks company Granite Contracting, operating in North Carolina and South Carolina, has been completed.

Among the significant projects completed or underway in 2020 in the United States, in addition to the Los Angeles airport project, highlights include: repaving a 10-km section of Interstate 81 near Syracuse, in the State of New York; demolition and reconstruction of engineering structures in Cabarrus County, North Carolina; the rehabilitation of a 16-km section of Interstate 55 in Mississippi County, Arkansas; the rehabilitation of an 11-km section of Highway 6 in Logan County, Colorado; repaving and redesigning in the town of Thousand Oaks in Ventura County, California; repaving a taxiway at Juneau International Airport in Alaska.

### 3.2.1.4. ROADS IN CANADA

**(Revenue in 2020: €1.731 billion)**

Revenue for the Roads segment in Canada totaled €1.731 billion in 2020, down a slight 2% compared to 2019 (stable at constant scope and exchange rates).

Against an economic backdrop that varies from one province and territory to another, the road construction business, boosted by favorable weather conditions and limited impact of the health crisis, was upbeat in Quebec, stable in Ontario, and on the decline in British Columbia and Alberta. McAsphalt's bitumen distribution business benefitted from a favorable market in the eastern part of the country (in Ontario and Quebec) and performed well. The design, build and finance project for the western extension of the Valley Line light rail (LRT) line in Edmonton, Alberta was secured at the end of the year by a consortium, led by Colas, including Colas Canada, Colas Rail Canada and Colas Projects Canada.

Among the significant projects completed or underway in 2020 in Canada, highlights include: the reconstruction, widening and extension of sections of Highways 401, 404 and 407 in the Toronto area, in Ontario; construction of roadways for the southwest ring road in Calgary, Alberta; the supply of ready-mix concrete for the construction of a liquefied natural gas export platform in the port of Kitimat, and road marking, under a five-year contract, renewable for two years, on 42,000 kilometers of the road network in British Columbia; the widening of a section of Highway 85 in Quebec.

### 3.2.1.5. ROADS IN ASIA - PACIFIC

**(Revenue in 2020: €351 million)**

In 2020, the Asia – Pacific Roads segment recorded revenue of €351 million, down 13% compared to 2019 (-15% at constant scope and exchange rates).

#### Asia – Oceania

In Asia, Australia and New Caledonia, revenue amounted to €320 million, down 16% compared to 2019 (-14% at constant scope and exchange rates). It should be noted that the Thai subsidiary Tipco Asphalt (in which Colas owns 31%) as well as the Indian subsidiary Hincol (in which Colas holds 30%) are consolidated using the equity method, and therefore do not contribute to consolidated revenue.

In **Asia,** where the bitumen market remained buoyant thanks to post-Covid-19 recovery plans, Tipco Asphalt reported a good level of activity. The company continues to expand in the Philippines, Malaysia and Laos. The Thai subsidiary TWS (of which Colas owns 37.5% and Tipco 25%) won, as a consortium backed by the expertise of Colas Projects, a contract for the construction of runway 3 and the extension of two taxiways from Bangkok International Airport. In India, despite the Covid-19 crisis, Hincol maintained its level of activity and posted satisfactory revenue figures. Business in South Korea, carried out by the Isco joint venture, remained low in 2020.

In **Australia,** despite market contractions, business including road works, sale of bitumen and emulsions remained buoyant. The repaving project between Woolgoolga and Balina on the Pacific Highway in New South Wales was completed and a new asphalt plant has been built in Brisbane to supply the infrastructure projects of the Brisbane – Gold Coast corridor in Queensland. A 70% stake in the road works company ASCO, based in Auckland, **New Zealand**, was acquired, allowing Colas to penetrate this upbeat market.

In **New Caledonia,** in an economic environment that remains difficult due to uncertainties about the institutional future of the French territory and the end of major infrastructure projects, the Roads and Industrial segments were on the decline. The Building sector was stable.

#### Latin America

In 2020, for its first full fiscal year, the Roads business in Latin America posted revenue at €31 million, in an economic environment that was heavily impacted by the Covid-19 crisis.

**In Chile**, the road works specialist Asfalcura increased its stake in its subsidiary Oil Malal to 90%, which specializes in the import, processing and distribution of bitumen and bituminous products.

**In Peru**, Colas completed the consolidation of the Colvias company, which specializes in road infrastructure works for international mining operators and medium and long-term road maintenance contracts. After an eight-month stoppage due to the Covid-19 crisis, work to build road infrastructure for the Quallaveco copper mine has resumed.

## 3.2.2. Railways and other Activities

**(Revenue in 2020: €1.209 billion)**

Railways and other Activities generated revenue of €1.209 billion in 2020, down 14% (-4% at constant scope and exchange rates) compared to 2019, accounting for 10% of the total Group revenue.

### 3.2.2.1. RAILWAYS

**(Revenue in 2020: €1.050 billion)**

In 2020, Colas Rail posted revenue of €1.050 billion, down 3% at constant scope and exchange rates compared to 2019, with more than two-thirds of business performed outside of France.

In France, activity is down, impacted by the Covid-19 pandemic which resulted in projects being delayed or canceled. The major track and catenary works segment nevertheless benefited from the ramp-up of two major rail network renewal and maintenance contracts: one for three years, relating to the renewal of ballast and sleepers on four LGV high speed train lines; the other for five years, covering the renewal of overhead catenary lines across the national network. The Railway Safety segment activity was also strong. The Metro and Tram business benefited from the start of the project for metro line 15 South – East sector as part of Greater Paris. The disposal of the freight business, as part of Colas Rail's strategy to refocus on its core businesses, was finalized. In 2020, the streamlining and transformation projects launched in 2019 to improve the company's performance were continued.

In the United Kingdom, in a Railways market that remains upbeat, and with the continuation of the new control period (CP 6) defined by Network Rail and covering the years 2019 to 2024, the subsidiary recorded a high level of business, feeling little impact from the Covid-19 pandemic because Railways were an "essential activity". The market remained buoyant for infrastructures activities, with the continuation of the contract with the South Rail Systems Alliance for works on the railway networks, including the renewal of tracks, signaling, electrification and civil engineering, in the south of England, offsetting a drop in business for the overhead catenary subsidiary Lundy Projects linked to the delay in the launch of the TransPennine project.

In continental Europe, business was impacted in the second quarter by the Covid-19 crisis, particularly in Italy, Switzerland, the Czech Republic and Belgium. The segment did recover in these countries as of the third quarter and business in Poland was strong.

In the Rest of the World, the Railways segment was slightly impacted by the Covid-19 crisis even if an extension of the timeframes for awarding contracts during the call for bids resulted in a gap in activity in some countries. In the MEA (Middle East Africa) zone, the slumps in business in Morocco and Algeria were partially offset by upticks in Egypt. In South America, business continues to develop with the start of several projects in Chile, mainly for the Santiago metro and the Chilean national railway company EFE. In Asia, activity remained buoyant, with continued construction work on line 3 of the Hanoi metro in Vietnam, and the construction of the LRT Jabodebek light rail in Jakarta, Indonesia.

In 2020, Colas Rail won two urban rail contracts in two countries where it did not previously operate and in which major investments in rail infrastructure are expected: the design, construction and financing contract (in a consortium) for the extension of the Valley Line West light rail (LRT) in Edmonton, Ontario, Canada, and the power supply replacement contract for the Bukit-Panjang light rail line (LRT) in Singapore.

### 3.2.2.2. WATER & ENERGY TRANSPORT

**(Revenue in 2020: €159 million)**

Spac recorded revenue of €159 million in 2020, down 12% at constant scope and exchange rates compared to 2019. Since January 1, 2020, Colas Environnement's pollution remediation activity is part of the Water & Energy Transport segment, given its complementarity with Spac's business activities.

Mainland France had no major gas projects during the year, and business was down, due to the Covid-19 pandemic and the delay of municipal elections for several months. Business recovered in the second half of the year.

Among the significant projects of the year, highlights include: continued work on the construction of propane storage and vaporization facilities at the Loretto station in Ajaccio, the construction of a 19-km gas pipeline between Tréflévénez and Landivisiau in Brittany, and the removal and replacement of high voltage oleostatic cables buried using the technique known as "retrofitting" in the city center of Marseille.

### 3.2.2.3. BITUMEN FRANCE – EMEA

As part of the industrial strategy consisting in both securing its bitumen supplies and extending its bitumen distribution and trading activity across the France – EMEA zone, Colas created a company called Continental Bitumen Ltd. in 2020. In order to acquire the logistical means necessary to grow its business, Continental Bitumen Ltd finalized the order for two bitumen vessels with a unit capacity of 20,000 tonnes at the end of 2020. The subsidiary did not report any business activity in 2020.

Continental Bitumen Ltd and the subsidiaries in the area also aim to develop their bitumen storage facilities. A rental contract for a warehouse with a capacity of 7,500 tonnes located in Lavéra, France was signed in 2020. Other projects are being studied, both for investment or rental.

# 4. IMPORTANT EVENTS SINCE THE END OF THE FISCAL YEAR

Since the close of the fiscal year, no significant event has impacted the Company.

# 5. OUTLOOK

The order backlog at the end of December 2020 amounts to €9.2 billion, up 1% restated for main acquisitions and disposals and at constant exchange rates. The backlog in mainland France (€3.1 billion) is up 2%, reflecting order intake slightly higher than the revenue from the construction segment. Order backlog in the International units and Overseas France (€6.1 billion) is stable, restated for the main acquisitions and disposals and at constant exchange rates. The United States and Canada recorded an increase in their orders in 2020, with in particular a €500 million-euro contract secured at the end of the year for the extension of the Valley Line West light rail line (LRT) in Edmonton (Canada) combining Road Construction and Railways.

When faced by deteriorations in the health crisis, governments in some countries where the Group operates have been implementing measures, more or less extensive in their scope. These are adjusted on a regular basis to stay aligned with the evolution of the Covid-19 pandemic.

The outlook below excludes any sharp decline in the current health crisis.

After the contraction in business activity recorded in 2020, Colas' operating units are expecting to see a recovery in 2021. The second half of the year should be witness to the first impact of the stimulus plans announced in 2020, particularly in France and the European Union.

In 2021, the current operating margin should also increase from 2020, and approach the level reported in 2019, boosted by cost optimization measures rolled out in 2020, as well as by ongoing operational excellence programs across the Group's industrial activities.

# 6. INNOVATION AND R&D

Colas aims to be the world leader in innovative, sustainable mobility solutions. The Group draws on its capacity for innovation and R&D to conceptualize, design, develop and offer its customers a range of mobility solutions and infrastructure that are useful to users, environmentally friendly, optimized, integrated within a shared and secure public space, smart and connected, reversible and multimodal, and able to address climate change priorities.

In early 2020, Colas' Innovation and R&D teams were merged with its Sustainable Development staff (Environment, Safety, Security, etc.) to form a single department – the Sustainability and Innovation Department (DDRI in French). This new structure reflects the strong ties between innovation and corporate social responsibility (CSR) at Colas, and encourages close collaboration between staff for a more coherent, efficient approach. It also reflects the paradigm shift in mobility and smart roads over the past few years. Today, mobility cannot be reduced to the simple notion of getting around. It encompasses the expectation of a high level of service in terms of comfort, efficiency, ease of travel and safety, and takes into account environmental considerations. Applied to smart roads, this shift has led to the thinking that, in the field of mobility infrastructure, data can help achieve a much bigger goal than just improving transportation systems. Smart roads now offer a significant environmental advantage, with cleaner, more energy-efficient solutions, helping to limit their climate impact in particular.

Innovation and R&D at Colas are mainly led by the Colas Campus for Science and Techniques (CST) in Magny-les-Hameaux, in the Saclay cluster near Paris, as well as the Colas teams in charge of:

— studying the ecosystems in which Colas operates;
— developing mobility solutions and bespoke new services using digital technology;
— building information modeling (BIM);
— innovation management, including strategic partnerships with major groups offering a good fit with Colas' activities, the Innovation Lab (which tests new industry solutions and uses for data), open innovation (collaboration with startups and innovative SMEs) and the Group's global innovation network.

This structure is overseen by the Executive Management Committee (CODG in French), which signs off on innovation, research and development priorities; supervises contributions from entities in the field; monitors ongoing developments; and measures progress made toward achieving targets.

Colas has selected the following four areas as innovation, research and development priorities.

## 6.1. Low carbon solutions

In response to climate change, Colas has adopted a strategy for decarbonizing its operations. In December 2020, the Group announced its target of reducing its direct greenhouse gas emissions (Scope 1 and 2) by 30% and its upstream indirect emissions (Scope 3a) by 30% between 2019 and 2030. A Carbon roadmap has been drawn up, which will be rolled out at operating entities starting in 2021, and includes in particular continuing to develop and promote low-carbon solutions.

Colas' research and development policy has been oriented towards these subjects for many years. Its teams are currently working on the following areas, in particular:

- low-carbon cements, hydraulic binders and concretes;
- bio-sourced materials;
- reducing mix production temperatures (warm, semi-warm and cold mixes);
- in-place road recycling and increasing the proportion of recycled materials in mixes.

Colas' approach fits within the wider framework of the circular economy. As part of this approach, Colas is taking part in the "MURE" collaborative research and development program alongside other stakeholders involved in the design, construction and management of road infrastructures, with the aim of promoting the joint practice of multi-recycling and warm mixes.

Colas also supports the research and development of carbon capture and storage techniques through partnerships with companies and start-ups specializing in this area.

## 6.2. Sustainable mobility

The sustainable mobility solutions being developed by Colas aim to take account of environmental and energy-related requirements, improved comfort for users and residents, road safety issues and contracting customers' budget constraints.

They include in particular:

- the Cool & Low Noise Asphalt project, part of a European research program on reducing noise pollution and limiting the effects of urban heat islands;
- the Com'in decision-making tool, part of a Bouygues Group intrapreneurship program, which helps users take a more responsive, effective approach to managing the environmental impact of construction sites, with real-time identification of sources of noise pollution, for example, coupled with an interface for dialogue with local residents;
- the My Living Bloom digital platform (Colas brand), which transforms the customer relationship during outdoor construction projects and helps reduce their environmental impact;
- Mobility by Colas solutions for local governments, which help to optimize traffic flow and parking space (Moov'hub), implement preventive management of road networks (Anaïs), and schedule and manage traffic flow around urban construction sites (Qievo);
- the Flowell dynamic signaling solution, which helps optimize the sharing of public space;
- the Wattway Pack local energy autonomy solution, with Wattway photovoltaic road surfacing;
- the inclusion of vehicle charging technologies in the surface layer.

The last three examples help optimize the use of infrastructures. As such, they address the key issue of space management.

## 6.3. Smart infrastructures

In the smart infrastructure field, Colas draws on the expertise of its subsidiaries to design mobility services that allow local governments to manage urban traffic and road traffic as efficiently as possible.

Aximum, its subsidiary specializing in road signage and markings, offers innovative solutions for the deployment of dedicated communications networks on roads and in urban areas, and for preparing infrastructures for connected and driverless vehicles.

By equipping infrastructures and using predictive data, as well as enhanced algorithms, new services can be offered. Solutions that analyze travel time improve road traffic management and thereby limit carbon emissions. Simar traffic regulation software reduces traffic congestion in cities. Colas is also developing sensor systems to count the number of people inside a vehicle. These systems help ensure the proper use of carpool lanes, an essential component of new forms of mobility.

Lastly, testing is continuing on the Flowell dynamic signaling solution, which improves user safety and allows for shared traffic flow management. The Hauts-de-Seine (western Paris region) local government commissioned Colas to install this solution at an intersection on the La Défense beltway. Colas combines its solutions with building information modeling (BIM) technology to offer new possibilities, such as virtual reality design, which lets users work on simulations of layouts, lighting, user behavior and perception, and more, including once the site is operational, with for example the integration of automatic collision detection (between motorists or with pedestrians).

## 6.4. Digital technology for performance and business

By combining digital technology with conventional processes, Colas can offer new services to customers while also boosting in-house performance and improving working conditions for manual laborers. Increased efficiency is beneficial for all concerned.

Colas' goal of improving working conditions for its staff drove the development, in partnership with start-up RB3D, of the Exopush exoskeleton, an innovative tool to assist manual workers in handling materials at worksites. This digital solution helps manual workers protect their health and safety, work more efficiently and improve quality control in their work.

In addition to its operational and technical excellence in its historic fields of expertise, Colas is developing data-sharing solutions to help improve process management.

Building information modeling (BIM) is a prime example of this. Recognized as a major player in infrastructure BIM, notably through its active participation in the MINnD project, and the winner of a *BIM d'Or* (gold) award in 2018 for the demolition and decontamination of a refinery in Dunkirk, and two *BIM d'Argent* (silver) awards in 2019, Colas has developed the Grid2BIM solution, which converts building permit utility plans into 3D-compatible models that can be integrated into construction site models.

Another example is the creation of MaxCIM, a tool for sharing Colas' wealth of technical data. Data is archived and consolidated on an in-house platform. Currently accessible only to Colas employees, the tool helps users find what they're looking for more quickly. By saving construction site and project data, it helps avoid, for example, running multiple surveys on the same place. The ultimate goal is to be able to map all of this data for an entire city. Customers will then be able to use this tool to rapidly simulate how their infrastructure works, improve control over their operations and their environmental impact, and optimize their overall cost and performance.

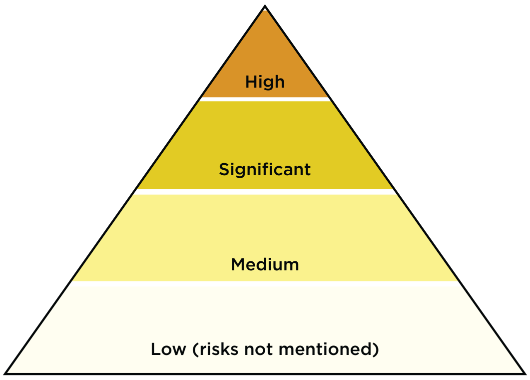
Overall cost control for infrastructure projects is a key priority for the future. To address this priority, Colas offers a range of products for optimizing road network maintenance, along with innovative structural inspection technology using specially developed sensors and data analysis systems.

Sensor and inspection technologies, as well as service integration platforms like Moov'hub, implemented by the Paris-Saclay public development authority, address this need for monitoring and improvement using information and data. The aim is to help infrastructure managers plan ahead and make the right investment and management decisions.

# 7. RISK FACTORS

This section sets out key risk factors specific to the Colas Group, based on analysis of the Group's activities and the annual risk-mapping exercise. The ratings indicated reflect the inherent risk before any steps taken by the Group to manage that risk, and are intended to provide an assessment of the risk based on the likelihood of its materializing and the severity of the impact should it do so. Three ratings are used: medium, significant and high (risks identified as low are not mentioned).

### Risk ranking




### Risk categorization

| Categories | Risks | Importance |
|---|---|---|
| Risks arising from the operations and activities of Colas Group companies | Risk associated with major projects | |
| | Risk associated with changing regions and markets | |
| | Risk associated with volatility in raw material costs | |
| Legal, regulatory and ethical risks | Non-compliance risks | |
| Non-financial risks | Risk associated with natural phenomena and the effects of climate change | |
| | Risk associated with employee health and safety | |
| | Risk of loss of expertise and talent | |
| | Risk to personal security | |
| | Risk of environmental damage | |

# 7.1. Risks arising from the operations and activities of Colas Group companies

## 7.1.1. Risk associated with major projects

In addition to its main business, which consists of fulfilling several tens of thousands of small contracts of low unit value, Colas also carries out projects considered major by virtue of their value, complexity, implementation difficulty, duration or financing method (notably concessions and PPP projects). These major projects carry greater risks in terms of design, constraints (geological, archaeological, etc.), availability of construction land, cost estimates, resource shortages (human resources, raw materials, etc.), delivery deadlines, payment terms, and so on. An example of a major project is the tram project in Liège, Belgium. To help it manage such projects more effectively, in 2016 the Group established Colas Projects. This entity, which works alongside local subsidiaries, is dedicated to studying, designing and implementing major projects.

***This risk may thus be categorized as high.***

## 7.1.2. Risk associated with changing regions and markets

In particular, Colas' business activities and results are exposed to the following risks:

— changes in the macroeconomic environment in the main regions in which the Group has a longstanding presence (France, Europe and North America): adverse changes may have an impact on business volumes, competitive pressures and market prices;

— changes in public sector procurement, since a significant proportion of the Group's business involves public sector customers (especially local and regional authorities in France); the main risk is that of public sector customers not having the capacity to finance their maintenance and investment expenditure. Rising budget deficits, the state of public finances in many countries, the resulting austerity measures and, in France, the drop in state contributions to local governments, all compound this risk. Furthermore, administrative and political considerations (e.g. difficulties agreeing on budgets, elections, plans to combine local authorities, and changes in local leadership) can also adversely affect the volume of public sector business. There is therefore a risk that infrastructure construction and maintenance projects, whether under consideration or already approved, may be called into question or delayed.

Failure to anticipate and/or respond to such changes may cause a Group company to be out of step with its market (resulting in poor positioning, reduced competitiveness and agility as a result of an overly cumbersome structure, or loss of market share or business opportunities), resulting in lower profitability.

However, these risks are mitigated by the large proportion of Group business deriving from infrastructure maintenance, which is vital to the economy as a whole, the broad geographical distribution of its operating units, the wide range of business activities pursued by the Group and the large number of projects undertaken.

***This risk may thus be categorized as significant.***

## 7.1.3. Risk associated with volatility in raw material prices

For its road construction and maintenance projects, Colas mainly uses aggregates and bitumen.

While aggregate prices are location-specific and fluctuate little, global bitumen prices have varied significantly in past years. The risk associated with this volatility is limited by three key factors: the number of contracts and their average duration, enabling the Group to quickly pass on price changes in its bids; revision and indexing clauses included in many contracts, in France and abroad; and the diversification of its supply sources (especially with the creation in 2020 of the entity Continental Bitumen, to meet the needs of Colas' European subsidiaries). In some regions, supply contracts may also be signed at guaranteed prices for a given period; and for major contracts, tailored hedging policies may be put in place as and when required once the order has been placed. Lastly, some Colas subsidiaries sell bitumen derivatives directly to third parties as part of a trading business (e.g. SAMI Bitumen in Australia and McAsphalt in Canada): the larger these entities' inventories, the more exposed they are to unfavorable price changes in their markets.

Given these various factors, the sensitivity of the Group's operating performance to changes in raw material prices mainly depends on its exposure to fluctuations in bitumen prices; however, it remains difficult to measure at the overall level due to the thousands of contracts executed in different legal environments and with varying levels of protection, and also with prices varying from one geographical region and time period to another.

***This risk may thus be categorized as significant.***

# 7.2. Legal, regulatory and ethical risks

## Compliance risks

More than 60% of Colas' business is with public sector customers in France and abroad. Legislation in most countries prohibits operators from bidding for public sector contracts if they have been found guilty of violating public procurement rules.

More generally, the high proportion of the Group's business deriving from the public sector (or from major structured groups such as highway operators, railway operators, mining companies, etc.) means Colas is also exposed to the risk of anti-competitive practices or corruption, particularly in countries where such practices are still widespread.

For the past several years, steps have been taken to limit risks arising from non-compliant practices: compliance programs have been introduced (focusing in particular on corruption prevention and competition), procedures have been disseminated more widely and training has been made available for all potentially exposed Group employees. Moreover, Colas always penalizes non-compliant behavior and notifies the relevant judicial authorities. In spite of these measures, Colas remains exposed to these risks, though their financial and/or legal impact remains difficult to assess.

***This risk may thus be categorized as high.***

# 7.3. Non-financial risks

## 7.3.1. Risk associated with natural phenomena and the effects of climate change

Work may be disrupted by natural phenomena such as earthquakes, floods, cyclones, windstorms, fires or lightning that require work to be suspended or destroy work under construction.

The most exposed geographical areas in which the Group operates include North America (United States and Canada), the Indian Ocean, the Caribbean and French Guyana, and Australia. If this risk should materialize, operations could be disrupted at production sites located in the affected areas (e.g. cyclones in the Indian Ocean), or the seasonal period during which activities can be carried out could be shortened (e.g. length of winter in Canada).

In view of the above, the relevant subsidiaries have adopted warning systems and systems to ensure the safety of people and property, as well as including the risk in their insurance cover. However, the large number and small size of Colas' facilities, and the fact that they are spread across the regions they serve, help to mitigate the overall impact.

However, Colas anticipates that such natural phenomena could worsen or increase in number in the future as a result of climate change. In addition to its efforts to offer techniques and materials to protect existing infrastructure and equip new infrastructure to withstand more extreme climate variation, the Group is endeavoring to adapt its business model in response to the changes observed, which may give rise to both risks and opportunities (e.g. shorter winter breaks in Northern European countries).

***This risk may thus be categorized as medium.***

## 7.3.2. Risk associated with employee health and safety

The Colas Group is exposed to two main types of occupational hazards: the operation of construction machinery and industrial equipment; and traffic accidents in which employees may be directly involved and those that may occur when hauling a wide load (e.g. transport of construction machinery and industrial equipment, etc.). In spite of safety measures in place, the risk of gross negligence in connection with a workplace accident involving an employee or temporary staff member is undoubtedly the greatest risk in financial terms. Colas has long pursued a proactive policy of prevention, safety training for new personnel, and research (e.g. "security bubble" for moving machinery).

As regards workplace health, Colas has identified four specific areas of risk:

— bitumen fumes, which in recent years have been the subject of analysis and epidemiological research by agencies such as the IARC (International Agency for Research on Cancer, an agency of the World Health Organization) and ANSES (the French national agency for food, environmental and workplace safety), and which are currently monitored by the INRS (the French national research and safety institution, which focuses on the prevention of occupational accidents and diseases): the risk associated with exposure to bitumen fumes is considered low, except where machinery is used in a confined space, in which case a targeted risk analysis must be carried out (effects of exhaust gases, ventilation systems, etc.);

— dust: workplace health bodies and industry players have focused on the issue of exposure to silica dust at worksites, quarries and gravel pits. In France, Colas is a member of Routes de France, which is actively involved in publishing two guides prepared with the OPPBTP (the French professional agency for risk prevention in construction and civil engineering), in conjunction with the DGT (General Labor Directorate). The Group is also taking action around the world to reduce exposure to dust at manufacturing facilities and construction sites alike by using appropriate equipment and processes (e.g. working in a humid environment created through spraying or misting, wearing personal protective equipment, upgrading milling and planing equipment and replacing them with machines fitted with dust extraction systems, etc.);

— solvents: the risk associated with solvent use has been reduced in workshops, on worksites and in laboratories through a worldwide policy to restrict their use and put in place appropriate safety equipment;

— asbestos: concerning the risk of asbestos being found in certain buildings or facilities, Colas implements and applies individual and collective protection principles, notably as regards dust, in accordance with procedures laid down in Single Risk Assessment Documents drawn up by Colas business units. To this end, Colas implements the recommendations set out in the "dust" prevention guide published by the industry body Routes de France, drawn up by the OPPBTP in conjunction with the DGT.

Beyond these four areas, Colas also takes into account its duty of care with respect to anxiety associated with activities involving the use of potentially toxic substances.

***This risk may thus be categorized as medium.***

### 7.3.3. Risk of loss of expertise and talent

Public works are traditionally a less attractive business sector than others that therefore faces difficulties hiring staff regardless of the job on offer and the skills required. Furthermore, the development in some areas of ambitious infrastructure programs with tight deadlines (e.g. Le Grand Paris Express projects in the Greater Paris region, as well as high levels of activity around certain metropolitan areas in Canada) and the highly seasonal nature of activities in some geographical regions (notably North America) further increase labor market competition in certain highly sought-after categories of employees. The unavailability or lack of adequate resources and the loss of key skills and expertise pose a risk to the Group's day-to-day business and its ability to successfully complete the major projects entrusted to it.

In light of this situation, Colas places the emphasis on retaining employees and developing their skills and expertise; in addition to day-to-day activities undertaken by Human Resources teams, the Group regularly surveys its global workforce so as to better understand and manage the risks associated with labor relations, employee turnover, workplace well-being (psychosocial issues), skills management and hiring.

Colas' strategy also includes working hard to make the Group more attractive and diversify its sources of hiring (developing its employer brand and social media presence, forming and/or maintaining partnerships with educational institutions around the world, developing the role of apprenticeships, etc.) so as to attract and hire new talent that reflects social diversity (in terms of culture, ethnicity, age, gender, formal education, etc.).

***This risk may thus be categorized as medium.***

### 7.3.4. Risk to personal security

In the course of its business, the Colas Group may operate in areas of the world that are politically unstable or considered dangerous, thus posing a risk to personal security (for employees on assignment or employed locally, expatriates and their families, etc.). While the extent and potential impacts of this risk are difficult to assess, the risk itself is no less real.

The Group therefore has a dedicated structure in place, and in 2019 implemented a specific procedure for assessing country risk to support employees traveling to and working in areas considered at risk (including definition and observance of strict rules, application of internal and/or external safety measures, etc.). Furthermore, security is always taken into account when giving consideration to new locations (Country Committee) or projects (Market Committee). Lastly, Colas has a crisis management unit that is equipped to deal with any security incidents that may arise.

***This risk may thus be categorized as medium.***

### 7.3.5. Risk of environmental damage

The need to safeguard against the risk of environmental damage is taken into account in Colas' operational activities. Environmentally certified sites are subject to environmental analysis in addition to budgeted preventive action plans. Colas uses this information during management reviews to analyze and limit the impact of the Group's operations and improve environmental performance, and it is also examined as part of a standard budget monitoring procedure. Operating licenses for environmentally sensitive facilities subject to special administrative processes ("ICPE" or "ISDI" facilities in France) generally require strict compliance with environmental requirements, irrespective of the country in question. ISO 14001 certification and the use of checklist-based self-assessments give Colas a degree of assurance that it will meet these requirements.

In line with its management guidelines, Colas also makes provisions for clean-up expenses when the amounts have been determined based on an assessment by an independent firm and when a date for site rehabilitation has been set.

***This risk may thus be categorized as medium.***

# 8. DISPUTES AND LITIGATION

## 8.1. Major disputes and litigation

Colas Group companies are involved in various lawsuits and claims in the normal course of their business. Risks are assessed based on past experience and analysis by the Group's legal departments and legal advisors. To date, to the best of the Company's knowledge, no exceptional events or disputes are likely to significantly impact the activity, assets, earnings or financial position of the Group as a whole. Litigation is reviewed on a regular basis, especially when new situations arise. The amounts set aside as provisions appear adequate based on these assessments. The Group may have recourse to all legal remedies to protect its legitimate interests. A breakdown of the litigation into that covered by and that not covered by provisions has not been disclosed because this information could affect the outcome of certain disputes in progress.

### 8.1.1. Hungary: cases before the Hungarian Competition Authority and associated claims for damages

Between 2004 and 2012, the Hungarian Competition Authority found that some ten Hungarian companies, including Colas subsidiaries, had infringed competition rules by engaging in price-fixing practices for public works contracts. The penalties have been paid. In the aftermath of these various decisions, claims for damages have been brought against certain Hungarian companies controlled by Colas subsidiaries in Hungarian courts by several companies alleging they were harmed by these price-fixing practices. There are still two cases that are ongoing: (i) one concerning the City of Budapest and (ii) the other concerning the Hungarian government (M3 motorway).

### 8.1.2. France: URSSAF audits

In late 2009, URSSAF (the French labor inspectorate) notified Colas of an adjustment to exemptions affecting social security contributions allowed under the TEPA and Fillon laws for the 2006-2008 fiscal years. URSSAF requested the payment of all social security contributions covered by these exemptions, from the very first euro, in the form of a lump-sum tax, on the grounds that the Group companies concerned had failed to supply the necessary information in support of these exemptions in electronic form. The submission of this information in electronic form was deemed mandatory by URSSAF, in its interpretation of the French Social Security Code. Colas and its subsidiaries consider that the conditions for lump-sum taxation as provided for under Article R.242 of the French Social Security Code are not met, as the supporting documents necessary for verification were submitted in a timely fashion, and since the format in which these were supplied enabled them to be used. The amount attributable to this adjustment, including late payment penalties, is estimated at €63.3 million. This dispute has been referred to the Social Security courts.

### 8.1.3. Canada: tax-related dispute pertaining to technical assistance charged by Colas to its subsidiary Colas Canada Inc.

The Canada Revenue Agency is challenging the deductibility of technical assistance expenses invoiced by the Colas parent company to its subsidiary Colas Canada Inc. on the grounds that the amounts of these expenses are excessive and insufficiently documented. Notices of assessment for 2004 to 2007 challenging the full deductibility of expenses incurred were addressed through the out-of-court settlement procedure under the tax treaty between France and Canada. The French and Canadian authorities had agreed on a technical assistance rate very similar to the rate charged. For fiscal years 2008 to 2014, Colas Canada Inc. challenged the rate accepted by the Canada Revenue Agency via the out-of-court settlement procedure. The tax audit at Colas Canada Inc. covering 2015 and 2016 is still ongoing. The total amount in question at end 2020 is €14 million.

### 8.1.4. International: complaint filed by Colas Rail concerning an international project

In 2017, an internal audit and subsequent external investigation mandated by Colas subsidiary Colas Rail revealed that suspicious euro and local currency payments had been made to local consultants by a foreign subsidiary of Colas Rail. Colas Rail filed a complaint in France. The consultants in question had their contracts terminated and all payments blocked. By agreement with the customer, Colas Rail transferred the construction contract, without any significant financial impact on Colas Group. The investigation following the complaint filed by Colas Rail is ongoing.

### 8.1.5. Djibouti: investigation into Colas Djibouti by the US government

On July 1, 2014, Colas SA voluntarily informed the US government that it had discovered that employees of Colas Djibouti, a Colas subsidiary, had engaged in non-compliant and inappropriate practices when entering into agreements and sub-agreements with the US government between 2012 and mid-2014. As of February 17, 2021, Colas Djibouti has concluded with the said authorities a Settlement Agreement for the civil aspects and a Deferred Prosecution Agreement (DPA) concerning the criminal proceedings. By virtue of the DPA, Colas Djibouti undertakes to fully cooperate with the authorities, for a period of two years, if they were to initiate proceedings against the other persons concerned.

## 8.2. Financial injunctions or penalties for anti-competitive practices

In accordance with Article L.464-2 of the French Commercial Code, it is hereby confirmed that the Company has not been the subject of any financial injunctions or penalties issued by the French Competition Authority and which the latter has ordered it to disclose in the Annual Report.

# 9. INTERNAL CONTROL OF ACCOUNTING AND FINANCIAL INFORMATION

Risk identification and risk prevention are fundamental management principles adopted by Colas and its senior executives.

The Group – which, through its subsidiaries, operates in around 50 countries – has thus implemented internal control procedures to ensure that its activities and associated risks are properly controlled, irrespective of their nature (operational, financial, legal, etc.). The goal of this approach, beyond ensuring the accuracy of accounting and financial reporting, is to ensure that management decisions, activities undertaken and employee behavior all comply with regulations in force and with the Group's guiding principles.

As with any internal control system, however, the Company cannot guarantee that the risks it is designed to prevent are completely eliminated.

The Colas Group applies the internal control reference framework published by the *Autorité des marchés financiers* (AMF) in July 2010.

The Group's internal control procedures apply to Colas and to all directly controlled subsidiaries in which the parent company holds an ownership interest greater than 50% (including the subsidiaries of these entities).

## 9.1. Organization of the Group and internal control procedures

### 9.1.1. Organizational principles

The Group's organizational structure is based on the following principles:

- business activities pursued by subsidiaries: the Group's business is conducted by subsidiaries, the majority of which are wholly owned by the parent company, Colas SA;
- decentralization: the organization is based on a limited number of hierarchical tiers (generally three). Each manager (whether operational and/or functional) performs his/her duties under delegated authority, enabling decisions to be made at the most appropriate level;
- activities and their results are monitored in light of stated objectives, based on common principles shared by all (as regards budgeting, updating, etc.);
- integrated management tools (accounting and finance software and the Group reporting system) allow for greater control over activities. The software tool rolled out across all French road construction subsidiaries offers complete coverage of operations, from contract acquisition to project execution, including budgeting and procurement. This software tool interfaces with manufacturing tools and production equipment. The gradual harmonization of information systems, which began in 2015 (under the Copernic project), is continuing both in Mainland France and internationally.

### 9.1.2. Organization of business activities

Business activities are performed by work centers or production units operating within a defined geographical area (e.g. a specific region of France). These centers are united under regional subsidiaries (in France) and/or national subsidiaries (outside France). Each of these subsidiaries has its own Executive Management (generally consisting of operational senior management and functional departments) responsible for directing, developing and overseeing the activities undertaken.

A new organization was introduced on January 1, 2020:

The Roads business is made up of ten geographical business units, which operate under five Executive Management teams:

- Executive Management France/DOMOI (Overseas France, Indian Ocean region), including Road Safety and Signaling (Aximum);
- Executive Management EMEA (Europe/Middle East/Africa);
- Executive Management United States;
- Executive Management Canada;
- Executive Management Asia/Pacific (Asia/Oceania/LATAM).

Railways and other activities include the Colas Rail and Spac business activities (water and energy transport).

### 9.1.3. Main internal control procedures

All subsidiaries and managing directors benefit from the **assistance of Colas' functional departments.** These departments define and make changes to the Group's guidelines and procedures in their specific areas of expertise. They work closely with the functional managers of the subsidiaries. Meetings, held once or more each year, bring together all managers from across the Group within a given discipline to disseminate information, share experience and keep abreast of the latest developments.

Staff working at subsidiaries have **access to the "Group Management Principles",** supplemented by a code of ethics and compliance programs developed by Colas' parent company, Bouygues. Together, these documents summarize the essential rules, procedures and principles of conduct applicable within the Colas Group.

Against this backdrop, the Group's senior executives are constantly working to ensure that internal control is uppermost in employees' minds. The strategy pursued by the Group for many years places the emphasis on delivering business growth and expansion through prudence, rigor and control.

# 9.2. Monitoring and supervision of the system

In 2020, Colas continued its efforts to constantly improve and adjust its internal control procedures.

## 9.2.1. Supervision and control of operations

### WORK-ON-HAND, REVENUE AND PROFIT IN A HIGHLY DECENTRALIZED GROUP

Given the nature of its activities (road construction, industrial activities, railways and other activities), the Group manages orders for, executes and accounts for approximately 60,000 projects a year. In addition to thousands of smaller, short-term projects, Colas also handles major projects both in France and internationally. Engineering studies and order management are handled by operational managers (responsible for 800 construction business units and 3,000 materials production units). Bids for large-scale projects and those considered exceptional (by virtue of their nature, complexity or duration), as well as projects in new countries, are always signed off by a contract committee (at subsidiary, regional Executive Management or Colas Executive Management level). The sign-off process is managed by subsidiaries based on predetermined thresholds and criteria. Moreover, major projects are subject to regular monitoring and reported on at Audit Committee meetings.

### ACQUISITIONS AND DISPOSALS

As any acquisition process exposes the Group to risk, all proposals for the creation, acquisition or disposal of an entity (securities or assets) or of real estate assets must first be presented in the form of a specific investment or divestment request, including a set of supporting documents defined in the guide to internal procedures. Such projects are presented to the Group's Executive Management for prior review and sign-off before being authorized by the Board of Directors of the subsidiary that is considering the project.

## 9.2.2. Procedures with regard to preparing, processing and monitoring financial and accounting information

The main documents, procedures and tools used for the communication of accounting and financial information comply with the principle of accrual accounting. This allows for monitoring worksite cost schedules, as well as for preparing activity reports by subsidiary and/or country and monthly statements of after-tax profit (monthly for subsidiaries and the Group), which are consolidated. This information provides data on the Group's revenue, order intake, main financial indicators and consolidated net profit on the 15th of each month following the month of operations.

These figures are compared monthly with the tri-annual budgets (B0, B1 and B2) and the quarterly balance sheets and income statements, at the level of each subsidiary and each Executive Management Department.

The cash or net debt position is monitored daily across all companies located in Mainland France and monthly for the rest of the Group. These figures are reconciled with monthly forecasts over a three-month period. Meetings with key senior executives responsible for running subsidiaries are held throughout the year to analyze changes in business activity and discuss the economic outlook, strategic direction and current issues.

The Accounting and Consolidation Department is in charge of preparing and analyzing consolidated financial and accounting information. It sets out and monitors accounting procedures, rules and policies in accordance with IFRS. For the 2020 financial statements, nearly 380 consolidation reporting packages were processed for a scope of consolidation covering 550 entities. Personnel involved included 20 staff at Colas (including four people in the Consolidation Department), about 120 at the headquarters of subsidiaries based in Mainland France, 950 at operating entities and, outside France, some 300 staff at headquarters and 280 at operating entities or worksites, amounting to a total of more than 1,600 people across the Group.

In France and abroad, cash management is centralized whenever possible. Financial flows in Mainland France and abroad are subject to Group procedures, to ensure maximum security and to minimize fraud risks.

## 9.2.3. Progress in the development of internal control procedures

The internal control system covers all Colas Group companies. The project uses input from exchanges with other functions within the Bouygues Group, addressing cross-functional issues consistently, while taking into account the characteristics specific to Colas.

This system is notably supported by an annual self-assessment of Colas' internal control principles, supplemented by risk mapping, which is updated annually when the three-year business plan is produced.

This risk mapping is presented early in the year to the Audit Committee as well as to the Board of Directors when it meets to approve the financial statements for the previous year.

**The annual self-assessment of the principles of Colas' internal control framework** covers all Colas business segments. There are 545 principles, comprised of 309 general principles and 236 accounting and financial principles, including 69 that are specific to the Group's business lines. Together they form Colas' internal control framework:

— subsidiaries assess each applicable principle on a scale of 1 to 4, depending on the extent to which it is formalized and applied. This assessment is undertaken by the respondent best placed to evaluate the extent to which a given principle is applied within the subsidiary before being reviewed and signed off by the head of the entity or a person acting under the latter's delegated authority. Subsidiaries are therefore asked to organize self-assessments within business units for certain principles (in 2020, 18 principles were self-assessed within business units);

— a score of 1 or 2, indicating that a principle was not applied or, more commonly, that the application of a given principle was partially or insufficiently documented, triggers an observation with recommendations concerning action plans to be implemented;
— this annual self-assessment of the application of principles is based on a three-year cycle:
  – in two out of every three years, the Group campaign focuses on principles related to the main risk factors, as identified in the most recently published report of the Board of Directors. In the third year, all principles are self-assessed;
  – entities newly within scope (newly acquired companies, etc.) begin by self-assessing the application of all the principles in the framework before falling in step with the Group's three-year cycle the following year.
  However, in 2020 (the second year of the current cycle), in view of the global health crisis and its implications, the decision was taken – in agreement with the reference shareholder – to limit the scope of the internal control self-assessment campaign, in order to encourage the continuation of activities. The self-assessment campaign was thus implemented to cover five key areas for the Group (covering around 66 principles); 59 subsidiaries and companies (in France and abroad), representing more than 99% of Colas' consolidated revenue took part. The cycle is expected to return to normal in 2021;
— the assessment of the proper application of the Colas internal control framework involves the participation of the Chairmen and CEOs; the human resources, legal, administrative and financial managers of subsidiaries; the functional division heads at the Colas parent company; and the Managing Directors.

The analysis of results undertaken in 2020 showed that activities and processes were well managed in most subsidiaries and found that there were steady improvements in identifying and empowering stakeholders in each process.

**Main actions taken in 2020:**

— support for the organizational restructuring process, ensuring that all parties contributing to the quality of the control environment have the support they need;
— implementation and analysis of monthly monitoring reports detailing interactions with lobbyists;
— approval of corruption risk maps (65 maps) and presentation of the associated action plans during the first Compliance Review presented to the Group's Executive Management in April 2020;
— roll-out of the E-Comply tool, a software application that covers compliance processes and is accessible to all Group employees.

**In 2021, Group action plans** will include the following:

— extension of regular controls to check the reliability of compliance information submitted by subsidiaries and identify any required corrective action;
— roll-out of the GDPR policy at subsidiaries.

These Group initiatives will be supplemented by local action plans designed to address specific needs identified by each local entity.

In addition, the implementation of Copernic management tools – at the relevant subsidiaries – will proceed according to the schedule in place (15 subsidiaries since its launch and 17 in 2021).

## 9.2.4. Risk mapping

Work to identify key risks by major business line or area of activity was updated by the Group's various Executive Management units as part of the budgeting exercise. This information supplemented the combined top-down/bottom-up approach adopted by the Colas parent company as part of the annual Group campaign initiated by its Chairman and Chief Executive Officer.

A summary report was presented at the Board of Directors meeting on January 11, 2021 and at the preceding Audit Committee meeting.

Although this effort confirmed that Colas has relatively little exposure to systemic risks, it showed that sudden economic downturns in some of the Group's regions and markets do present a risk, due to the difficulty that some local entities have in rapidly adjusting to changes in market conditions.

## 9.2.5. Internal control monitoring

All internal control staff are responsible for operating and monitoring the internal control system. Their work is coordinated by an internal control manager at the Colas parent company who liaises with a network of correspondents at the Group's national or regional subsidiaries.

As part of its audits, the Internal Audit Department verifies both compliance with internal control principles and the quality of self-assessment.

In 2020, the Group's Internal Audit Department, which reports to the General Secretary, was composed of around ten auditors led by an Audit and Internal Control Manager.

The main objectives of an internal audit are to:

— assess organizational measures and the control environment put in place by subsidiaries and other audited entities to manage their risks, protect their assets and ensure the reliability of accounting and financial information, as well as compliance with Group rules;
— propose opportunities to improve audited entities' operations so as to increase efficiency and foster the dissemination of best practice within the Group. Checks undertaken include, in particular, verifying compliance with Colas' internal control principles and reviewing the results of annual self-assessments and progress against action plans aimed at improving the system in place;
— measure progress against action plans and implementation of audit recommendations within 12 to 18 months.

The annual audit plan is signed off by the Chairman and approved by the Audit Committee when it meets in the third quarter of the preceding year. This plan generally includes (excluding follow-up audits) an average of around 15 audits of French and international entities. Entities are selected for audit on the basis of the risks and issues facing the Group.

However, due to the Covid-19 pandemic, the 2020 audit plan was revised downwards to take into account travel restrictions in various countries. The following subsidiaries were audited in 2020: Colas Rail Egypte, Miller (Canada), Colas Île-de-France Normandie (France).

Internal Audit also carries out more targeted assignments such as project reviews (e.g. A10 highway construction site in France), process reviews (e.g. Tipco in Thailand), integration reviews for newly acquired entities (e.g. Skanska assets in Poland) and technical reviews of laboratories (both in France and abroad).

The audit findings are reported to the Chairman, Colas functional managers, the Executive Management of the appropriate country or region and the management bodies of the audited entity. The audit report highlights areas for improvement identified during the audit and proposes recommendations to the audited entity's executive body for drawing up and implementing a suitable action plan.

The Statutory Auditors are informed of the annual internal audit program and are always provided with audit reports. They also share with the Internal Audit Department the conclusions of their own assessment of the control environment. Regular meetings are held between internal and external auditors to ensure that their work is undertaken in a coordinated and complementary manner.

The Statutory Auditors are provided with a copy of the standard internal control procedures. A report on 2020 self-assessment results, presented to the Audit Committee on February 12, 2021, will be made available to the Statutory Auditors to enable them to include additional accounting and financial verifications if necessary. The Statutory Auditors are also informed of the accounting and financial principles observed by the French subsidiaries, as revealed by their self-assessments.

# 10. DUTY OF VIGILANCE

Bouygues, the company that controls the Company within the meaning of Article L.233-3 of the French Commercial Code, has implemented a vigilance plan covering its activities and those of all the subsidiaries and companies that it controls as stated in its registration document.

Accordingly, the Company is deemed to satisfy the requirements provided for in Article L.225-102-4 of the French Commercial Code under paragraph 2 of said Article.

# 11. EQUITY AND CONTROLLING INTERESTS IN COMPANIES HAVING THEIR REGISTERED OFFICE IN FRANCE

In accordance with the provisions of Article L.233-6 of the French Commercial Code, the Company declares that during fiscal year 2020 it did not acquire any equity interests representing more than one-twentieth, one-tenth, one-fifth, one-third, one-half or two-thirds of the share capital or voting rights and did not assume control of any company having its registered office in France.

# 12. BRANCHES

In accordance with the provisions of Article L.232-2 II of the French Commercial Code, it is hereby disclosed that Colas SA owns the branches located at the following address:

| Branch | Address |
|---|---|
| Colas S.A. Franta Sucursala Romania | Sect. 1 str. Carol Knappe Nr.14 Corp B & P. ap. 18 Bucuresti (Romania) |
| Colas Agence Burkina | 01 BP 1503 Ouagadougou 01 (Burkina Faso) |
| Colas Agence Gabon | Z.I d'Oloumi, BP 3985, Libreville (Gabon) |

It should, however, be noted that these branches are no longer trading and are in the process of being wound up with the corresponding local authorities.

For information, the Company's secondary establishments are as follows:

| Address | Category of establishment | Identification No. |
|---|---|---|
| 1 rue du Colonel Pierre Avia, 75015 Paris (France) | Headquarters and main establishment | 552 025 314 02366 |
| 1 rue du Colonel Pierre Avia, 75015 Paris (France) | Secondary establishment | 552 025 314 02390 |
| 1 rue du Colonel Pierre Avia, 75015 Paris (France) | Secondary establishment | 552 025 314 02382 |
| 1 rue du Colonel Pierre Avia, 75015 Paris (France) | Secondary establishment | 552 025 314 02374 |
| 8 rue Jean Mermoz, 78114 Magny-Les-Hameaux (France) | Secondary establishment | 552 025 314 02341 |
| 4 rue Jean Mermoz, 78114 Magny-Les-Hameaux (France) | Secondary establishment | 552 025 314 02333 |

# 13. INTERCOMPANY LOANS

In accordance with the provisions of Article L.511-6-3 *bis* of the French Monetary and Financial Code, it is hereby disclosed that the Company has not granted any loans to microbusinesses, small and medium-sized enterprises or mid-tier enterprises with which it has financial relationships.

# 14. INFORMATION ON PAYMENT PERIODS

Pursuant to the provisions of Article L.441-6-1 of the French Commercial Code, the Board provides the following breakdown of the payment periods for our suppliers and customers using the templates provided in the order of March 20, 2017 showing:

— invoices received but not settled at the end of the reporting period;

— invoices issued but not settled at the end of the reporting period.

| | Article D.441-4 I.-1: Invoices received but not settled at the end of the reporting period | | | | | |
|---|---|---|---|---|---|---|
| | **0 days (indication)** | **1 to 30 days** | **31 to 60 days** | **61 to 90 days** | **91 days and up** | **Total (1 day and up)** |
| **(A) Late payment by time range** | | | | | | |
| Number of invoices concerned | 1,264 | | | | | 758 |
| Total amount of invoices concerned (excl. VAT) | 12,610,465.78 | 2,364,148.37 | 412,766.22 | 91,843.42 | 396,461.05 | 3,265,219.06 |
| Percentage of total amount of purchases (excl. VAT) in the fiscal year | 6.21% | 1.16% | 0.20% | 0.05% | 0.20% | 1.61% |
| Percentage of revenue (excl. VAT) for the fiscal year | | | | | | |
| **(B) Invoices excluded from (A) related to disputed or unrecognized receivables and payables** | | | | | | |
| Number of invoices excluded | | | | | | 1 |
| Total amount of invoices excluded | | | | | | 1,783.47 |
| **(C) Standard payment terms used (contractual or statutory terms of payment – Articles L.441-6 or L.443-1 of the French Commercial Code)** | | | | | | |
| Payment terms used to calculate late fees | General rule: 45 days end of month<br>Carriers: 30 days end of month | | | | | |

| | Article D.441-4 I.-2: Invoices issued but not settled at the end of the reporting period | | | | | |
|---|---|---|---|---|---|---|
| | **0 days (indication)** | **1 to 30 days** | **31 to 60 days** | **61 to 90 days** | **91 days and up** | **Total (1 day and up)** |
| **(A) Late payment by time range** | | | | | | |
| Number of invoices concerned | 121 | | | | | 383 |
| Total amount of invoices concerned (excl. VAT) | 7,520,771.47 | 5,752,405.48 | 1,204,163.61 | 1,042,042.52 | 5,729,886.50 | 13,728,498.11 |
| Percentage of total amount of purchases (excl. VAT) in the fiscal year | | | | | | |
| Percentage of revenue (excl. VAT) for the fiscal year | 2.32% | 1.78% | 0.37% | 0.32% | 1.77% | 4.24% |
| **(B) Invoices excluded from (A) related to disputed or unrecognized receivables and payables** | | | | | | |
| Number of invoices excluded | | | | | | 0 |
| Total amount of invoices excluded | | | | | | 0 |
| **(C) Standard payment terms used (contractual or statutory terms of payment – Articles L.441-6 or L.443-1 of the French Commercial Code)** | | | | | | |
| Payment terms used to calculate late fees | General rule: 60 days from date of invoice | | | | | |

# 15. SHARE CAPITAL

## 15.1. Changes in the share capital in 2020

As of January 1, 2020, the Company had issued share capital of €48,981,748.50, consisting of 32,654,499 shares with a par value of 1.50 euro each.

As of December 31, 2020, the Company's issued share capital remained unchanged at €48,981,748.50, consisting of 32,654,499 shares with a par value of 1.50 euro each.

| | |
|---|---|
| Share capital as of December 31, 2019 | 48,981,748.50 |
| Number of shares in issue as of December 31, 2019 | 32,654,499 |
| Total number of theoretical voting rights as of December 31, 2019 (1) | 64,439,538 |
| Number of voting rights exercisable as of December 31, 2019 (1) | 64,419,222 |
| New shares created between January 1 and December 31, 2020 | 0 |
| Share capital as of December 31, 2020 | 48,981,748.50 |
| Number of shares in issue as of December 31, 2020 | 32,654,499 |
| Total number of theoretical voting rights as of December 31, 2020 (1) | 64,430,267 |
| Number of voting rights exercisable as of December 31, 2020 (1) | 64,409,388 |

*(1) Including treasury shares (trading position).*

## 15.2. Share ownership

The Company's shareholding structure at December 31, 2020 was as follows:

| Shareholder | Shares | | Change from December 31, 2019 | | Voting rights | | Change from December 31, 2019 | |
|---|---|---|---|---|---|---|---|---|
| | Number of shares | % | Number of shares | % | Number of voting rights | % | Number of voting rights | % |
| Bouygues SA | 31,611,646 | 96.81 | 68,424 | +0.21 | 63,154,868 | 98.05 | 68,424 | +0.09 |
| "Colas en actions" investment fund | 222,480 | 0.68 | -8,694 | -0.03 | 444,960 | 0.69 | -17,388 | -0.03 |
| "Colas Share" investment fund | 4,640 | 0.01 | 170 | 0 | 8,860 | 0.01 | 170 | 0 |
| Free float | 794,854 | 2.43 | -60,463 | -0.19 | 800,700 (1) | 1.25 | -61,040 | -0.1 |
| Colas SA (treasury shares) | 20,879 (1) | 0.06 | 563 | 0 | / | / | / | / |

*(1) Trading position.*

## 15.3. Share price and trading volume

Colas shares are listed on the Euronext Paris market (Compartment A).

No adjustments were made to the share price in 2020.

In 2020, Colas' share price on the Euronext Paris stock exchange recorded a low of 90 euros (March 16, 2020) and a high of 143 euros (January 2, 2020), before ending the year at €123.50, i.e. 12.3% lower than the share price as of December 31, 2019. For purposes of comparison, the French CAC 40 stock market index fell 7.1% and the French SBF 120 stock market index fell 6.6% over the same period.

## 15.4. Colas share price

| Year | Month | Share price | | Number of shares traded | Share capital in millions of euros |
|---|---|---|---|---|---|
| | | highest | lowest | | |
| 2018 | January | 189.40 | 178.00 | 25,586 | 4.7 |
| | February | 187.80 | 173.80 | 28,559 | 5.1 |
| | March | 184.80 | 175.60 | 34,134 | 6.2 |
| | April | 192.00 | 176.60 | 34,991 | 6.4 |
| | May | 190.20 | 177.80 | 27,275 | 5.0 |
| | June | 181.60 | 175.80 | 17,979 | 3.2 |
| | July | 179.00 | 172.40 | 11,420 | 2.0 |
| | August | 175.60 | 167.40 | 17,433 | 3.0 |
| | September | 179.00 | 168.20 | 21,799 | 3.8 |
| | October | 179.60 | 139.60 | 54,536 | 9.0 |
| | November | 155.00 | 133.40 | 32,088 | 4.5 |
| | December | 143.20 | 129.00 | 26,644 | 3.7 |
| 2019 | January | 142.80 | 133.60 | 14,013 | 1.9 |
| | February | 146.40 | 136.00 | 18,808 | 2.6 |
| | March | 140.00 | 131.60 | 18,605 | 2.5 |
| | April | 147.80 | 137.00 | 20,182 | 2.9 |
| | May | 139.60 | 133.00 | 17,200 | 2.3 |
| | June | 138.60 | 135.40 | 10,061 | 1.4 |
| | July | 143.80 | 136.20 | 12,833 | 1.8 |
| | August | 143.80 | 137.00 | 9,621 | 1.3 |
| | September | 146.80 | 136.00 | 20,115 | 2.9 |
| | October | 143.20 | 137.80 | 29,650 | 4.2 |
| | November | 150.00 | 142.40 | 22,850 | 3.3 |
| | December | 145.00 | 136.00 | 27,596 | 3.9 |
| 2020 | January | 143.00 | 133.60 | 31,085 | 4.3 |
| | February | 139.80 | 121.60 | 24,654 | 3.3 |
| | March | 126.40 | 90.00 | 32,962 | 3.7 |
| | April | 116.50 | 103.00 | 20,108 | 2.1 |
| | May | 119.00 | 108.00 | 13,790 | 1.6 |
| | June | 123.00 | 110.50 | 17,545 | 2.1 |
| | July | 116.00 | 111.00 | 20,115 | 2.3 |
| | August | 121.00 | 111.50 | 18,192 | 2.1 |
| | September | 123.50 | 105.00 | 27,320 | 3.1 |
| | October | 108.50 | 103.00 | 16,396 | 1.7 |
| | November | 115.00 | 104.00 | 25,673 | 2.9 |
| | December | 131.50 | 112.00 | 28,458 | 3.5 |

## 15.5. Share buyback program

### 15.5.1. Use during the 2020 fiscal year of the authorizations to buy back shares granted by the Shareholders' Meeting

The Company's Combined Shareholders' Meetings of April 13, 2016, April 11, 2017, April 12, 2018, April 17, 2019 and April 22, 2020, approved share buyback programs authorizing the Board of Directors, acting pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, to buy the Company's shares up to a maximum of 1% of the number of shares making up the share capital, for a period of eighteen months. This authorization was used by your Company in fiscal year 2020, within the framework of a liquidity agreement.

Pursuant to Article L.225-211 of the French Commercial Code, the table below summarizes the transactions carried out as part of these operations over the course of the 2020 fiscal year:

## TRANSACTIONS CARRIED OUT BY COLAS IN ITS OWN SHARES DURING FISCAL YEAR 2020 [1]

| | |
|---|---|
| Number of shares held by the Company as of December 31, 2019 | 20,316 |
| Number of shares purchased during fiscal year 2020 | 6,426 |
| Number of shares sold during fiscal year 2020 | 5,863 |
| Number of shares held by the Company as of December 31, 2020 [1] | 20,879 |
| Average bid price in fiscal year 2020 (€) | 119.138 |
| Average ask price in fiscal year 2020 (€) | 120.042 |
| Value (based on purchase price) of shares held by the Company as of December 31, 2020 (€) | 2,946,006.021 |
| Par value of shares held by the Company at December 31, 2020 (€) | 31,318.5 |

(1) *Trading position.*

## BREAKDOWN OF TRANSACTIONS BY PURPOSE

### Retirement of shares

| | |
|---|---|
| Number of shares retired during fiscal year 2020 | - |
| Reallocations to other purposes | - |
| Number of shares held by the Company as of December 31, 2020 | 20,879 |

### Liquidity agreement

| | |
|---|---|
| Number of shares purchased during fiscal year 2020 [1] | 6,426 |
| Number of shares sold during fiscal year 2020 [1] | 5,863 |
| Number of shares held by the Company as of December 31, 2020 under the liquidity agreement [1] | 20,879 |

(1) *Trading position.*

# 15.5.2. Details of the new share buyback program to be put to a vote at the Combined Shareholders' Meeting of April 20, 2021

Pursuant to Articles 241-2 and 241-3 of the AMF's General Regulation, the Company presents below details of the share buyback program that will be submitted for approval at the Combined Shareholders' Meeting of April 20, 2020. This program will replace that previously granted by the Combined Shareholders' Meeting of April 20, 2020 in its nineteenth resolution.

## CHARACTERISTICS OF THE 2021 SHARE BUYBACK PROGRAM

| | |
|---|---|
| **Objectives** | – Any cancellations of shares bought back<br>– Providing liquidity and an active market for the Company's shares through the intermediary of an investment services provider acting within the framework of a liquidity agreement in accordance with a code of ethics recognized by the AMF, with the understanding that the achievement of these objectives shall have to comply with applicable laws and regulations |
| **Methods used** | The shares will be purchased via an investment services provider acting within the framework of a liquidity agreement in accordance with a recognized code of ethics |
| **Maximum proportion of the share capital** | 326,545 shares, i.e. 1.0% of the current issued share capital |
| **Maximum purchase price** | 180 euros per share |
| **Maximum amount payable by the Company** | 58,778,100 euros based on the maximum purchase price |
| **Financing methods** | Colas reserves the right to use its available cash or short-and medium-term debt if additional needs exceed available cash from operations |
| **Schedule** | 18 months as of the date of the authorization granted by the Combined Shareholders' Meeting of April 20, 2021, i.e. until October 22, 2022 |

# 16. EARNINGS AND APPROPRIATION OF EARNINGS

The report given by the Statutory Auditors of the Company included their opinion on the financial statements submitted to you. These financial statements will also be examined by the Social and Economic Committee in accordance with applicable law.

The parent company's earnings in 2020 amounted to €210,604,716.85, against €210,159,638.82 in 2019. Unappropriated earnings from the fiscal year plus unappro-priated retained earnings totaled €1,028,987,153.93, which we propose that you appropriate as follows:

| | |
|---|---|
| — to the legal reserve | 0 euro; |
| — to a dividend payout | |
| – in the amount of | €94,698,047.10; |
| – giving a dividend per share of (to be paid as of May 5, 2021) | €2.90; |
| — balance of unappropriated earnings | €934,289,106.83. |

In accordance with the provisions of Article 243 bis of the French General Tax Code, you are reminded that the amounts paid out in the form of dividends in respect of the last three fiscal years were as follows:

| | Fiscal year ending | | |
|---|---|---|---|
| | **December 31, 2017** | **December 31, 2018** | **December 31, 2019** |
| Number of shares in issue | 32,654,499 | 32,654,499 | 32,654,499 |
| Dividend per share | €8.20 (2) | €5.55 (2) | €6.40 (2) |
| Total dividend (1) | €267,754,911.60 | €18,124,327.70 | €208,852,608.40 |

*(1) The stated amounts represent dividends actually paid; shares bought back by the Company carry no dividend rights.*
*(2) Amount optionally eligible, for persons subject to income tax, for the 40% tax allowance provided for in point 2 of paragraph 3 of Article 158 of the French General Tax Code.*

**The Board of Directors**

# Results of the Company for the last five fiscal years

| in thousands of euros | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **Capital at end of period** | | | | | |
| Share capital | 48,982 | 48,982 | 48,982 | 48,982 | 48,982 |
| Number of shares in issue | 32,654,499 | 32,654,499 | 32,654,499 | 32,654,499 | 32,654,499 |
| Number of bonds convertible into shares | None | None | None | None | None |
| **Income statement data** | | | | | |
| Sales excluding VAT | 267,083 | 275,547 | 277,238 | 321,251 | 229,882 |
| Profit before depreciation, amortization, provisions and impairment | 261,809 | 159,634 | 424,229 | 239,595 | 270,937 |
| Income tax expense | 5,590 | 19,605 | 3,810 | 14,039 | 10,494 |
| Employee profit-sharing for the year | 1,109 | 727 | 1,803 | 907 | 817 |
| Profit after depreciation, amortization, provisions and impairment | 249,623 | 163,234 | 386,086 | 210,160 | 210,605 |
| Dividend payout | 267,767 | 267,767 | 181,232 | 208,989 | 94,698 (1) |
| **Per share data** (€): | | | | | |
| Profit after tax but before depreciation, amortization, provisions and impairment | 7.85 | 4.29 | 12.87 | 6.91 | 7.98 |
| Profit after depreciation, amortization, provisions and impairment | 7.64 | 5.00 | 11.82 | 6.44 | 6.45 |
| Dividend per share | 8.20 | 8.20 | 5.55 | 6.40 | 2.90 (1) |
| **Employee data** | | | | | |
| Average headcount | 356 | 415 | 485 | 485 | 518 |
| Total payroll | 52,939 | 52,007 | 59,057 | 58,778 | 63,249 |
| Employee benefits paid (social security, etc) | 19,464 | 18,250 | 18,736 | 20,071 | 22,798 |

*(1) Subject to approval at the Annual General Meeting of April 20, 2021.*

**The Board of Directors**

# CONSOLIDATED FINANCIAL STATEMENTS OF THE COLAS GROUP

## YEAR ENDED DECEMBER 31, 2020

# CONSOLIDATED BALANCE SHEET

| (€ million) | Note | 2020 | 2019 |
|---|---|---|---|
| Property, plant and equipment | 3.2.1 | 2,322 | 2,578 |
| Right of use of leased assets | 3.2.2 | 411 | 408 |
| Intangible assets | 3.2.3 | 196 | 211 |
| Goodwill | 3.2.4 | 697 | 694 |
| Investments in joint ventures and associates | 3.2.5 | 395 | 422 |
| Other non-current financial assets | 3.2.6 | 177 | 169 |
| Deferred tax assets | 7 | 149 | 145 |
| **Non-current assets** | | **4,347** | **4,627** |
| Inventories | 4.1 | 606 | 675 |
| Advances and down-payments made on orders | 4.1 | 40 | 71 |
| Trade receivables | 4.1 | 2,246 | 2,596 |
| Customer contract assets | 4.1/4.2 | 618 | 688 |
| Current tax assets | 4.1 | 30 | 49 |
| Other current receivables and prepaid expenses | 4.1 | 685 | 743 |
| Cash and cash equivalents | 4.3 | 606 | 488 |
| Financial instruments – Hedging of debt | 18 | 10 | 11 |
| Other current financial assets | 18 | | 1 |
| **Current assets** | | **4,841** | **5,322** |
| Held-for-sale assets and operations | 1.2.2 | | |
| **Total assets** | | **9,188** | **9,949** |
| Share capital | | 49 | 49 |
| Share premium and reserves | | 2,512 | 2,502 |
| Translation reserve | | (55) | 73 |
| Treasury shares | | (3) | (3) |
| Net profit/(loss) attributable to the Group | | 94 | 261 |
| **Shareholders' equity attributable to the Group** | | **2,597** | **2,882** |
| Non-controlling interests | | 24 | 27 |
| **Shareholders' equity** | 5 | **2,621** | **2,909** |
| Non-current debt | 8 | 346 | 431 |
| Non-current lease obligations | 10 | 345 | 335 |
| Non-current provisions | 6.1 | 941 | 857 |
| Deferred tax liabilities | 7 | 100 | 117 |
| **Non-current liabilities** | | **1,732** | **1,740** |
| Current debt | 8 | 28 | 36 |
| Current lease obligations | 10 | 96 | 93 |
| Current tax liabilities | 11.1 | 80 | 95 |
| Trade payables | 11 | 1,884 | 2,114 |
| Customer contract liabilities | 11.2 | 791 | 863 |
| Current provisions | 6.2/11.1 | 397 | 323 |
| Other current liabilities | 11 | 1,304 | 1,375 |
| Overdrafts and short-term bank borrowings | 8 | 238 | 387 |
| Financial instruments – Hedging of debt | 18 | 11 | 12 |
| Other current financial liabilities | 18 | 6 | 2 |
| **Current liabilities** | | **4,835** | **5,300** |
| Liabilities related to held-for-sale operations | 1.2.2 | | |
| **Total liabilities and shareholders' equity** | | **9,188** | **9,949** |
| Net surplus cash/(net debt) | 9 | (7) | (367) |

# CONSOLIDATED INCOME STATEMENT

| (€ million) | Note | 2020 | 2019 |
|---|---|---|---|
| **Sales [1]** | 12 | **12,297** | **13,688** |
| Purchases used in production | | (5,553) | (6,376) |
| Personnel costs | | (3,416) | (3,580) |
| External charges | | (2,608) | (2,930) |
| Taxes other than income tax | | (156) | (161) |
| Net charges for depreciation, amortization and impairment losses on property, plant and equipment and intangible assets | | (442) | (462) |
| Net amortization expense on right of use of leased assets | | (97) | (90) |
| Charges to provisions and other impairment losses, net of reversals due to utilization | | (237) | (151) |
| Change in production inventories | | 1 | 1 |
| Other income from operations [2] | 13 | 622 | 647 |
| Other expenses on operations | 13 | (157) | (153) |
| **Current operating profit/(loss)** | | **254** | **433** |
| Other operating income | 13 | 2 | |
| Other operating expenses | 13 | (71) | (28) |
| **Operating profit/(loss)** | | **185** | **405** |
| Financial income | | 11 | 18 |
| Financial expenses | | (38) | (51) |
| **Cost of net debt** | 14.1 | **(27)** | **(33)** |
| Interest expense on lease obligations | | (15) | (15) |
| Other financial income | 14.2 | 13 | 22 |
| Other financial expenses | 14.2 | (14) | (20) |
| Income tax | 15 | (86) | (141) |
| Share of net profits/(losses) of joint ventures and associates | 3.2.5 | 38 | 43 |
| **Net profit/(loss)** | | **94** | **261** |
| **Net profit/(loss) attributable to the Group** | | **94** | **261** |
| Net profit/(loss) attributable to non-controlling interests | | | |
| Basic earnings per share (€) | 16 | 2.88 | 7.99 |
| Diluted earnings per share (€) | 16 | 2.88 | 7.99 |
| *(1) of which generated outside France (including exports)* | | *6,746* | *7,092* |
| *(2) of which reversals of unused provisions and impairment* | 4.4 | *89* | *99* |

# CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

| (€ million) | Note | 2020 | 2019 |
|---|---|---|---|
| **Net profit/(loss)** | | **94** | **261** |
| **Items not reclassifiable to profit or loss** | | | |
| Actuarial gains/(losses) on post-employment benefits | 20.3.2 | (51) | (36) |
| Net tax effect of items not reclassifiable to profit or loss | | 11 | 8 |
| **Items reclassifiable to profit or loss** | | | |
| Translation adjustments | | (105) | 54 |
| Remeasurement of hedging assets | | (2) | |
| Net tax effect of items reclassifiable to profit or loss | | | |
| Share of reclassifiable income and expense of joint ventures and associates | | (23) | 8 |
| **Income and expense recognized directly in equity** | | **(170)** | **34** |
| **Total recognized income and expense** | | **(76)** | **295** |
| Attributable to the Group | | (76) | 295 |
| Attributable to non-controlling interests | | | |

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| (€ million) | Share capital Share premium | Reserves related to capital/ retained earnings | Consolidated reserves and profit/(loss) | Treasury shares | Items recognized directly in equity | Total attributable to the Group | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|
| **Position at 12/31/2018 - restated [1]** | **455** | **633** | **1,724** | **(3)** | **(41)** | **2,768** | **29** | **2,797** |
| **Movements during 2019** | | | | | | | | |
| Net profit/(loss) | | | 261 | | | 261 | | 261 |
| Income and expense recognized directly in equity | | | | | 34 | 34 | | 34 |
| **Total recognized income and expense** | | | **261** | | **34** | **295** | | **295** |
| Capital and reserves transactions, net | | 205 | (205) | | | | | |
| Acquisitions/disposals of treasury shares | | | | | | | | |
| Dividend paid | | | (181) | | | (181) | (2) | (183) |
| Share-based payment | | | | | | | | |
| Other transactions (changes in scope of consolidation, other transactions with shareholders and other items) | | | | | | | | |
| **Position at 12/31/2019** | **455** | **838** | **1,599** | **(3)** | **(7)** | **2,882** | **27** | **2,909** |
| **Movements during 2020** | | | | | | | | |
| Net profit/(loss) | | | 94 | | | 94 | | 94 |
| Income and expense recognized directly in equity [2] | | | | | (170) | (170) | | (170) |
| **Total recognized income and expense** | | | **94** | | **(170)** | **(76)** | | **(76)** |
| Capital and reserves transactions, net | | 1 | (1) | | | | | |
| Acquisitions/disposals of treasury shares | | | | | | | | |
| Dividend paid | | | (209) | | | (209) | (3) | (212) |
| Share-based payment | | | | | | | | |
| Other transactions (changes in scope of consolidation, other transactions with shareholders and other items) | | | | | | | | |
| **Position at 12/31/2020** | **455** | **839** | **1,483** | **(3)** | **(177)** | **2,597** | **24** | **2,621** |

*(1) Shareholders' equity as of December 31, 2018 has been restated for the effects of applying IFRS 16.*

*(2) Change in translation reserve:*

| | Group | Non-controlling interests | Total |
|---|---|---|---|
| Companies controlled by Colas | (105) | | (105) |
| Investments in joint ventures and associates | (23) | | (23) |
| **Total** | **(128)** | | **(128)** |

# CONSOLIDATED CASH FLOW STATEMENT

| I. Cash flow from continuing operations (€ million) | Note | 2020 | 2019 |
|---|---|---|---|
| Net profit/(loss) from continuing operations | | 94 | 261 |
| Adjustments: | | | |
| – Share of profits/losses reverting to joint ventures and associates, net of dividends received | | 14 | (13) |
| – Dividends from non-consolidated companies | | (1) | (3) |
| – Net charges to/(reversals of) depreciation, amortization and impairment of property, plant and equipment and intangible assets and non-current provisions | | 493 | 474 |
| – Net charges to amortization and impairment expense and other adjustments to right of use of leased assets | | 97 | 89 |
| – Gains and losses on asset disposals | | (60) | (53) |
| – Income taxes, including uncertain tax positions | | 86 | 141 |
| – Income taxes paid | | (82) | (110) |
| – Other non-cash income and expenses | | | (6) |
| **Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid** | | **641** | **780** |
| Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations | | 42 | 48 |
| Changes in working capital requirements related to operating activities (including current impairment and provisions) | 22.1 | 313 | (30) |
| **Net cash generated by/(used in) operating activities (a)** | | **996** | **798** |
| Purchase price of property, plant and equipment and intangible assets | 3.1 | (304) | (408) |
| Proceeds from disposals of property, plant and equipment and intangible assets | 3.1 | 120 | 87 |
| Net liabilities related to property, plant and equipment and intangible assets | 22.2 | (63) | (16) |
| Purchase price of non-consolidated companies and other investments | 3.1 | (1) | (1) |
| Proceeds from disposals of non-consolidated companies and other investments | 3.1 | 1 | 2 |
| Net liabilities related to non-consolidated companies and other investments | | | |
| Purchase price of investments in consolidated activities | 3.1 | (38) | (57) |
| Proceeds from disposals of consolidated activities | 3.1 | | 24 |
| Net liabilities related to consolidated activities | | | (2) |
| Other effects of changes in scope of consolidation: cash of acquired or divested companies | 22.2 | 1 | (7) |
| Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies | | (4) | 33 |
| **Net cash generated by/(used in) investing activities (b)** | | **(288)** | **(345)** |
| Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders | | 1 | |
| Dividends paid to shareholders of the parent company | | (209) | (181) |
| Dividends paid by consolidated companies to non-controlling interests | | (3) | (2) |
| Change in current and non-current debt | | (68) | (117) |
| Repayment of lease obligations | | (99) | (88) |
| Income from net surplus cash/cost of net debt and interest expense on lease obligations | | (42) | (48) |
| Other cash flows related to financing activities | | | |
| **Net cash generated by/(used in) financing activities (c)** | | **(420)** | **(436)** |
| Effect of foreign exchange fluctuations (d) | | (21) | 9 |
| **Change in net cash position (a+b+c+d)** | | **267** | **26** |
| Net cash position at start of period | | 101 | 75 |
| Net cash flows | | 267 | 26 |
| Non-monetary flows | | | |
| Held-for-sale operations | | | |
| **Net cash position at end of period** | | **368** | **101** |

| II. Cash flow from discontinued operations (€ million) | 2020 | 2019 |
|---|---|---|
| Net cash position at start of period | | (1) |
| Net cash flows | | 1 |
| **Net cash position at end of period** | | |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Notes

## NOTE 1 – SIGNIFICANT EVENTS

### 1.1 – SCOPE OF CONSOLIDATION AS OF DECEMBER 31, 2020

As of December 31, 2020, 545 entities were consolidated by Colas SA, compared with 542 as of December 31, 2019.

| Number of consolidated entities | 2020 | 2019 |
|---|---|---|
| Companies controlled by Colas | 342 | 327 |
| Joint operations | 68 | 81 |
| Investments in joint ventures and associates | 135 | 134 |
| **Total** | **545** | **542** |

### 1.2 – SIGNIFICANT EVENTS

#### 1.2.1 - Significant events of 2020

**Consequences of the Covid-19 pandemic**

**Impact of the pandemic on Colas Group operations**

From March 2020 until the end of the first half, the Colas Group was significantly impacted by the Covid-19 pandemic, as well as the government measures announced in response (in particular, the lockdown imposed on the French population from March 16) and the resulting economic crisis.

Reduced activity levels due to the pandemic affected the Colas Group's operating segments to varying degrees. The shutdown of all worksites and production facilities in France from March 17 primarily affected the Roads France-OD/IO segment, followed (to a lesser extent) by Railways and Other Activities (see Note 17).

After picking up gradually from mid-April, activity returned to near 2019 levels in the second half of the year.

**Estimated impacts of the Covid-19 pandemic on the 2020 financial statements**

The Covid-19 pandemic has led to a reduction in revenue. Current operating profit has been impacted by the erosion of current operating margin, reflecting not only the reduction in revenue but also non-productive costs that could not be adjusted in such a short time-frame in spite of flexibility measures. Those costs mainly comprise fixed personnel costs (staff working part-time or not at all, net of any support received from governmental authorities); unoccupied premises; idle plant and equipment; and measures taken to ensure employees working on site are protected from health risks.

Due to the resumption of the Group's activities, it is no longer possible to quantify separately the impact of Covid-19 on the Group's year-on-year performance in the second half of the year.

As a reminder, in the first half of 2020 the Covid-19 pandemic and its knock-on effects had adverse impacts estimated at approximately €810 million in revenue and €190 million on current operating profit.

#### 1.2.2 – Reminder of the significant events of 2019

**Sale of Smac**

On February 14, 2019, Colas announced that it had signed an agreement to sell Smac to a subsidiary of OpenGate Capital.

Effective completion of the transaction occurred on May 20, 2019 after all the conditions precedent had been fulfilled, in particular approval from the competition authorities. This divestment reduced revenue by approximately €600 million on an annual basis, and did not have a material impact on the operating profit of Colas in 2019.

**Acquisition of Skanska's operations in Poland**

On April 1, 2019 Colas Polska, the Polish subsidiary of Colas, completed the acquisition of part of Skanska's asphalt mix operations in Poland.

**Acquisition of Asfalcura in Chile**

On July 2, 2019, Colas completed the acquisition of the Chilean roadbuilding company Constructora Asfalcura, which specializes mainly in the production and application of asphalt mix.

#### 1.2.3 – Significant events and changes in scope of consolidation subsequent to December 31, 2020

The Group is not aware of any significant events subsequent to the end of the reporting period.

### 1.3 – COMPARABILITY OF THE FINANCIAL STATEMENTS

Changes in the scope of consolidation during 2020 do not have a material impact on the consolidated financial statements presented as of December 31, 2020, and do not impair comparability with the consolidated financial statements as of December 31, 2019.

## NOTE 2 – GROUP ACCOUNTING POLICIES

### 2.1 – ACTIVITIES

Colas is a world leader in the construction and maintenance of transport infrastructure.

Roads represent 90% of total operations, including:

- the construction and maintenance of roads, highways, airport runways, port facilities, industrial and logistics platforms, urban development, reserved-lane public transport systems (tramways), recreational facilities, bike paths, etc. In some regions, Colas is involved in civil engineering (small and large-scale infrastructure projects) and in building (new build, renovation and demolition/deconstruction) alongside the core roads business;
- upstream from the construction sector, a substantial industrial activity in the production and recycling of construction materials (aggregates, emulsions and binders, asphalt mixes, ready-mix concrete, bitumen), built on a dense international network of quarries, emulsion plants, asphalt plants and concrete plants;
- infrastructure concession and management activities including highways, airports, urban road networks and urban public transport systems;
- road safety and signaling, traffic management, and the manufacture, installation and maintenance of safety equipment.

Colas also operates in Railways (design & engineering, construction, renewal and maintenance of railway infrastructure) and in Water & Energy Transport. Combined, these two business segments represent 10% of the Group's total revenue.

## 2.2 – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Colas Group include the financial statements of Colas SA and its subsidiaries.

They were closed off by the Board of Directors on February 16, 2021, and will be submitted for approval by the forthcoming Annual General Meeting of the shareholders on April 20, 2021.

The consolidated financial statements for the year ended December 31, 2020 were prepared in millions of euros (unless otherwise mentioned) and in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives with the financial statements for the year ended December 31, 2019.

The Colas Group applied the same standards, interpretations and accounting policies for the year ended December 31, 2020 as were applied in its consolidated financial statements for the year ended December 31, 2019, except for changes required to meet new IFRS requirements applicable from January 1, 2020 (see below).

**Principal amendments effective within the European Union and mandatorily applicable from January 1, 2020**

#### Amendments to IFRS 9, IAS 39 and IFRS 7

On September 26, 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 (phase 1) in connection with the reform of interest rate benchmarks. Those amendments were endorsed by the European Union on January 16, 2020, and are applicable retrospectively from January 1, 2020. The impact of the amendments on the Group is immaterial.

#### Amendments to IFRS 3

On October 22, 2018, the IASB issued amendments to IFRS 3 to clarify the definition of a "business" in a business combination. Those amendments were endorsed by the European Union on April 21, 2020, and apply to accounting periods beginning on or after January 1, 2020. The impact of the amendments on the Group is immaterial.

#### Amendments to IFRS 16

On May 28, 2020, the IASB issued an amendment to IFRS 16, dealing with rent concessions related to Covid-19; it was endorsed by the European Union on October 9, 2020, and is applicable from June 1, 2020. The amendment, which permits lessees to account for such rent concessions as if they are not lease modifications, is immaterial at Group level.

**Exercise of judgement and use of estimates**

In preparing consolidated financial statements to comply with IFRS standards and interpretations, the Group uses estimates and assumptions which may have affected the amounts reported for assets, liabilities and contingent liabilities at the end of the reporting period, and the amounts of income and expenses reported for the period.

These estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

The main items involved are the impairment testing of goodwill and equity investments; the measurement of identifiable assets and liabilities in a purchase price allocation; employee benefits (lump-sum retirement benefits, pensions, etc.); the fair value of unlisted financial instruments; the recoverability of deferred tax assets, especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.); review of contracts to determine whether they contain a lease; factors taken into account when restating leases (lease terms and incremental borrowing rates, as described respectively in Notes 2.7.2. and Note 2.11.2); and end-of-contract margins on construction contracts (see Note 2.13.1).

Where no standard or interpretation applies to specific transactions, events or conditions, Group management exercises its judgement to define and apply accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the consolidated financial statements:

- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions;
- are neutral, prudent, and complete in all material respects.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements.

**Held-for-sale assets and operations and discontinued operations**

A non-current asset, or a Group of directly-associated assets and liabilities, is regarded as being held for sale if its carrying amount will be recovered primarily through a sale rather than through continuing use. For this to be the case, the asset must be available for sale in its immediate condition, and its sale must be highly probable. Such held-for-sale assets or asset Groups are measured at the lower of the carrying amount or the estimated selling price less costs to sell.

A discontinued operation is one that is material to the Group (having been treated as a cash generating unit) and that has either been disposed of or has been classified as a held-for-sale asset. Income statement and cash flow statement information about such discontinued or held-for-sale operations is reported in separate line items in the consolidated financial statements for all periods presented.

## 2.3 CONSOLIDATION METHODS

**Companies controlled by Colas**

Companies over which Colas exercises control are consolidated.

**Jointly-controlled companies**

A joint venture or joint operation derives from a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. In the case of joint operations (which give each party direct rights over the assets and obligations for the liabilities), the assets, liabilities, income and expenses of the joint operation are consolidated in accordance with the interests held in the joint operation. Joint ventures, which give the parties rights over the net assets, are accounted for using the equity method.

**Companies over which Colas exercises significant influence**

An associate is a company over which Colas exercises significant influence without exercising control. Significant influence is presumed to exist where Colas directly or indirectly holds at least 20% of the entity's voting rights.

The net profit or loss and the assets and liabilities of such entities are accounted for by the equity method.

## 2.4 – BUSINESS COMBINATIONS

Since January 1, 2010, business combinations have been accounted for in accordance with the revised IFRS 3.

In a business combination, goodwill at the acquisition date represents (i) the sum total of the consideration transferred (i.e. acquisition price) and non-controlling interests minus (ii) the net amount recognized (usually at fair value) for the identifiable assets acquired and liabilities assumed, adjusted to reflect the fair value remeasurement of any previously-acquired equity interest. The revised IFRS 3 allows entities to elect one of two methods of accounting for non-controlling interests in each business combination:

— at fair value (full goodwill method), i.e. the non-controlling interests are allocated their share of goodwill;
— at the non-controlling interests' proportionate share of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the non-controlling interests.

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an arm's length transaction between market participants as of the date of measurement.

Goodwill is allocated to the Cash Generating Unit (CGU) benefiting from the business combination or to the Group of CGUs at the level of which return on investment is measured.

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the non-controlling interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Amortization of intangible assets recognized in a purchase price allocation is charged against current operating profit, in the same way as for depreciation of property, plant and equipment.

Negative goodwill (i.e. gain from a bargain purchase) is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described in the sections on impairment testing in Note 2.7.4 ("Impairment testing of non-current assets, joint ventures and associates"), in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

In accordance with the revised IFRS 3, the previously-held equity interest in a step acquisition is remeasured at fair value through profit or loss on the date when control is obtained. In the event of loss of control with a retained equity interest, that retained interest is remeasured at fair value; the gain or loss on remeasurement is recognized in profit or loss, along with the gain or loss arising on the disposal.

In the event of a change in percentage interest with no effect on control, the difference between the consideration transferred and the carrying amount of the non-controlling interest is recognized directly in equity attributable to the Group. Consequently, no additional goodwill is recognized.

All acquisition-related costs are recognized as an expense within current operating profit for the period.

In the event of a partial divestment of the component operations of a CGU, the Group usually allocates the goodwill in proportion to the value of the divested operation relative to the value of the CGU as measured at the date of divestment, unless it can be demonstrated that another method better reflects the goodwill of the divested operation; this policy complies with paragraph 86 of IAS 36.

Goodwill recognized prior to January 1, 2004 continues to be measured using the partial fair value method. Non-controlling interests are measured on the basis of the carrying amount of the relevant items as shown in the balance sheet of the acquired entity.

## 2.5 – FOREIGN CURRENCY TRANSLATION

**Transactions denominated in foreign currencies**

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate. Translation differences are recognized in profit or loss for the period. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

**Financial statements of entities with a functional currency other than the euro**

All assets and liabilities of consolidated entities with a functional currency other than the euro are translated at the closing exchange rate. Income and expenses are translated at the average exchange rate for the period. Translation differences arising from this treatment, and arising from the retranslation of a subsidiary's opening shareholders' equity at the closing exchange rate, are taken to the translation reserve (which is a component of consolidated shareholders' equity). Translation differences arising on the net investment in foreign subsidiaries and associates are recognized in shareholders' equity.

## 2.6 – ASSESSMENT OF INCOME TAXES

Deferred taxation is recognized on differences between the carrying amount and tax base of assets or liabilities, and arises as a result of:

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods,
  - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognized to the extent that it is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at the end of each reporting period;
- tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted in the relevant country at the end of the reporting period. As of December 31, 2020, the temporary differences and tax losses available for carry-forward of French entities were measured at the following rates were measured at the following rates as enacted or substantively enacted, according to the period in which they are expected to reverse:

- 28.41% for 2021;
- 25.83% for 2022 and later.

Deferred taxes are not discounted, and are reported in non-current assets and liabilities.

## 2.7 – NON-CURRENT ASSETS

### 2.7.1 Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognized on a straight-line basis over the estimated useful life of the asset.

**Principal useful lives applied**

| | |
|---|---|
| Land | (see below) |
| Non-operating buildings | 20 to 40 years |
| Industrial buildings | 10 to 20 years |
| Plant, equipment and tooling | 5 to 15 years |
| Other property, plant and equipment (vehicles and office equipment) | 3 to 10 years |

Undeveloped and built-on land is not depreciated, but may be written down by an impairment loss if required.

Land containing mineral deposits is depreciated on the basis of the rate of depletion, up to a maximum of 40 years.

Accumulated depreciation computed on this basis may not be lower than straight-line depreciation.

If an item of property, plant and equipment requires a long period of preparation before it can be used or sold, borrowing costs directly attributable to its acquisition or construction are capitalized as part of the acquisition cost.

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognized in the income statement under "Other income and expenses from operations" unless they meet the criteria for classification within "Other operating income and expenses" (see Note 2.13.3).

Depreciation periods are reviewed annually, and may be adjusted if expected use differs from previous estimates.

**Grants received**

Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

### 2.7.2 Right of use of leased assets

IFRS 16 defines the right of use under a lease as an asset that represents a lessee's right to use an underlying asset for the lease term. This right of use is recognized by the Group on the commencement date of the lease (the date on which the asset is made available). It is measured at cost, which includes:

- the initial amount of the lease obligation (see Note 2.11.2);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;
- an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.

The right of use asset is amortized on a straight-line basis over the lease term. It is written down by means of an impairment allowance if there is an indication that it may have become impaired. The lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise. Within the Colas Group, rights of use relate mainly to property leases, generally with a lease term of nine years within France, and to equipment leases.

In light of (i) the final decision of the IFRS Interpretations Committee of November 26, 2019 and (ii) the summary conclusion issued on July 3, 2020 by the ANC (the French national accounting standard-setter) on lease terms under IFRS 16, the Group reassessed the lease terms used for lease accounting purposes, and concluded that there was no material impact in terms of the application of IFRS 16.

### 2.7.3 – Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:

- if it is separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled if the entity has the power to obtain the future economic benefits from that asset and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to annual impairment testing and are reviewed at the end of each reporting period to ensure that their useful lives are still indefinite.

Intangible assets include:

- development expenses:
  - development expenses are capitalized if the IAS 38 criteria are met (i.e. if they are expected to generate future economic benefits and their cost can be reliably measured),
  - in accordance with IFRS, incorporation and research expenses are expensed as incurred;
- concessions, patents and similar rights.

### 2.7.4 – Impairment testing of non-current assets, joint ventures and associates

Impairment tests are carried out on the carrying amount of non-current assets and investments in joint ventures and associates if there is objective evidence that they may have become impaired.

The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least at the end of each financial year.

#### Impairment testing method used

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the CGU to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment.

The CGUs used within Colas reflect the Group's organizational structure.

They satisfy the following criteria: common management, and synergies in (i) human resources, (ii) physical resources, (iii) technical and (iv) design/execution.

- Roads France/OD-IO/Parent Company CGU: consists of the Roads business and Road Safety & Signaling activities in France, the French overseas departments and the Indian Ocean; and Colas corporate headquarters;
- Roads EMEA (Europe-Middle East-Africa) CGU: consists of the Roads business in Europe (excluding France), the Middle East and Africa;
- Roads United States CGU: consists of the Roads business in the United States;
- Roads Canada CGU: consists of the Roads business in Canada;
- Roads Asia-Pacific CGU: consists of the Roads business in Asia, Oceania and Latin America;
- Railways CGU: consists of the Railways business, in France and internationally;
- Water & Energy Transport CGU: consists of the Water & Energy Transport business, in France and internationally.

The recoverable amount is determined using the discounted cash flow (DCF) method, applied as follows:

- the cash flows are derived from the three-year business plan prepared by the CGU's management and presented to the Colas Board of Directors;
- the discount rate is determined on the basis of a weighted average cost of capital, in the case of equity by reference to a panel of comparable companies, and in the case of debt by applying two alternative capital structure scenarios: 1/3 debt – 2/3 equity (scenario 1); 2/3 debt – 1/3 equity (scenario 2);
- the terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows after lease expenses and a perpetual growth rate.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet, after including right of use assets and deducting lease obligations:

- if the recoverable amount exceeds the carrying amount in both scenarios, sensitivity to each of the parameters is analyzed on the basis of the two scenarios;
- if the recoverable amount is less than the carrying amount in either or both of the scenarios a more detailed analysis is performed to determine the recoverable amount, for example by using an independent valuer.

If the carrying amount in the consolidated balance sheet is greater than the recoverable amount, an impairment loss is recognized. Any such losses are allocated in the first instance to any goodwill carried in the balance sheet, and may not be subsequently reversed.

The method used to take account of IFRS 16 in impairment testing (as described above) is an accepted transitional method.

#### Impairment testing of investments in joint ventures and associates

Because goodwill included in the carrying amount of a joint venture or associate is not reported separately, it is not tested separately for impairment, in line with IAS 36. An impairment loss is recognized if the carrying amount of the investment exceeds its recoverable amount; this loss is charged against the carrying amount of the investment, and may be reversed.

### 2.7.5 – Other non-current financial assets

Other non-current financial assets include loans and receivables (including advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those over which the Group exercises neither control nor significant influence).

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken either to shareholders' equity in "Items not reclassifiable to profit or loss" or to the income statement in "Other financial income" or "Other financial expenses", depending on the treatment elected by the Group for each individual investment.

Fair value is the market price for listed investments, and estimated value in use for unlisted investments. Value in use is determined using the most appropriate financial criteria for each individual investment.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortized cost, determined using the effective interest method.

In the case of floating-rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

Loans and receivables are accounted for at amortized cost. In accordance with IFRS 9 an impairment allowance is recognized on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss.

**Concession arrangements and Public-Private Partnership (P3) contracts**

The Colas Group holds equity interests in entities that have entered into concession arrangements or P3 contracts. These contracts, which are accounted for in accordance with IFRIC 12, are assessed on a case by case basis.

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortized cost using the method defined in IFRS 9.

Consequently, the receivable represents the fair value of the activity undertaken, plus cumulative interest calculated using the effective interest method, minus payments received from the grantor.

## 2.8 – CURRENT ASSETS

### 2.8.1 – Inventories

Inventories are measured at the lower of cost or net realizable value.

Cost includes all acquisition and transformation costs.

Acquisition cost includes the purchase price, customs duties and other non-recoverable taxes and duties, and transport and handling costs incurred to bring inventories to their current location.

Transformation cost includes all direct and indirect costs incurred to transform raw materials into finished goods.

On subsequent measurement, cost is calculated using the first in first out method or the weighted average cost method, depending on the nature of the inventory.

Net realizable value is the estimated selling price of the product less the estimated costs to complete and sell it.

Where the realizable value of inventory is lower than cost, the necessary provision for impairment is recognized.

### 2.8.2 – Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

For contracts accounted for using the percentage of completion method, trade receivables include invoices and statements issued as works are executed or services provided, and accepted by the project owner.

### 2.8.3 – Customer contract assets

Customer contract assets represent revenue recognized on a percentage of completion basis where billing is contingent on the supply of other goods and services and/or on the attainment of contractually agreed milestones.

### 2.8.4 – Other current receivables and prepaid expenses

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

## 2.9 – FINANCIAL INSTRUMENTS

Some Group entities use hedging instruments to limit the impact on profit or loss of fluctuations in exchange rates, interest rates and commodity prices. The Group's policy on the use of financial instruments is described below.

### 2.9.1 – Risks to which the Group is exposed

**Foreign exchange risk**

The Group has low exposure to foreign exchange risk in its ordinary commercial operations, because the subsidiaries generate only a very small proportion of their revenue from exports, and a large percentage of consolidated revenue (49%) is generated within the euro zone.

In most cases, international revenue is generated by local subsidiaries that invoice and incur expenditure in the currency of the country where the works are carried out. That means that fluctuations in exchange rates have no material impact on the Group's revenue and profits apart from currency translation effects arising from fluctuations in average exchange rates. Because more than a quarter of revenue is generated in North America, the Group is sensitive to fluctuations in the exchange rate of the US and Canadian dollars against the euro.

Borrowings and deposits are pooled in the local currency of each country (euro, US dollar, Canadian dollar, etc).

The Group pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

**Interest rate risk**

The Group's interest expense has low sensitivity to interest rate fluctuations because floating-rate debt is partly matched by surplus cash invested at floating rates. If floating-rate debt is not matched by surplus cash over an extended period, interest rate hedges are contracted on an as-needed basis. In addition to the floating-rate debt carried on the balance sheet, the seasonal nature of the Group's operations may require short-term borrowings to be contracted.

Consolidated financial expenses would be only marginally affected by fluctuations in euro interest rates, or by a divergence in interest rate trends between the euro and other major currencies.

**Commodities risk**

The Group is sensitive to fluctuations in commodity prices (especially petroleum-based products in the Roads business); there is also some exposure to the prices of certain metals in the Road Safety & Signaling and Railway businesses.

### 2.9.2 – Principles applied to all hedging instruments

Instruments used for hedging purposes are restricted to products such as:
— for hedging foreign exchange risk: forward currency purchases and sales, currency swaps, cross-currency swaps and currency options;
— for hedging interest rate risk: interest rate swaps, future rate agreements, purchases of caps and collars, and interest rate options;
— for hedging commodities risk: forward commodity purchases and sales, commodity swaps and commodity options.

These instruments have the following characteristics:
— they are used solely for hedging purposes;
— they are contracted solely with high-quality French and foreign banks;
— they carry no liquidity risk in the event of reversal.

The use of hedging instruments and selection of counterparties - and more generally, the management of exposure to foreign exchange risk, interest rate risk and commodities risk - are subject to specific detailed monitoring which is reported to the bodies responsible for management and control within the relevant companies, including the parent company (Colas SA).

### 2.9.3 – Hedging rules

**Foreign exchange risk**

The policy applied is to hedge the residual foreign exchange exposure relating to commercial transactions. If the future cash flow is certain, the foreign exchange risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

To the extent possible, acquisitions of foreign subsidiaries are financed in local currency. As a general rule, assets denominated in foreign currencies are not intended to be sold and are not hedged against foreign exchange risk.

As part of the process of optimizing the Group's cash position by enabling surplus cash loaned to or borrowed from subsidiaries to be converted into the subsidiary's local currency as a substitute for bank credit facilities, forward currency hedges may be used to eliminate foreign exchange risk.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions.

**Interest rate risk**

The policy applied is to hedge at Group level some or all financial assets and liabilities, where those are foreseeable and recurring.

The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps.

As with foreign exchange risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

**Commodities risk**

The policy applied is to hedge at Group level some or all of the exposure to movements in commodity prices on specific contracts.

### 2.9.4 – Accounting policy on financial instruments

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IFRS 9. Three types of accounting treatment are used:
— fair value hedges: changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognized symmetrically in the income statement;
— cash flow hedges: changes in the fair value of the hedging instrument are recognized in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion;
— hedges of a net investment in a foreign operation: changes in the intrinsic value of the hedging instrument are recognized in shareholders' equity until the hedge is closed out.

## 2.10 – CONSOLIDATED SHAREHOLDERS' EQUITY

Treasury shares are deducted from consolidated shareholders' equity. If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognized at Group level.

### 2.10.1 – Translation reserve

The translation reserve represents translation differences arising since January 1, 2004, when the reserve was deemed to be zero and the balance transferred to "Retained earnings". In the event of disposal of a subsidiary, associate or joint venture that prepares its accounts in a foreign currency, the cumulative translation reserve as of the date of disposal is reversed out through profit or loss, such that the gain or loss on disposal is calculated without the effect of exchange rate fluctuations.

#### 2.10.2 – Information about the management of capital

The objective of Colas management in managing capital is to maintain consolidated shareholders' equity at a level consistent with:

- maintaining a reasonable ratio of net debt to shareholders' equity;
- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool, used by the parent company to assess the financial position of each operating segment and of the Group as a whole, and the effects on consolidated shareholders' equity.

Some performance indicators used by Colas may be calculated with reference to shareholders' equity, but most are not.

The shareholders' equity of the Colas Group is not subject to any restriction under the articles of association.

### 2.11 – NON-CURRENT LIABILITIES

#### 2.11.1 – Non-current debt

With the exception of derivative instruments accounted for as liabilities measured at fair value (including a counterparty risk component, which is immaterial), all other borrowings and financial liabilities are accounted for at amortized cost using the effective interest method.

The portion of debt due within less than one year is included in current liabilities.

#### 2.11.2 – Non-current lease obligations

In accordance with IFRS 16, on commencement of a lease the lessee recognizes a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

The following amounts are included in the lease payments used to measure the obligation:

- fixed payments (including in-substance fixed payments, i.e. payments that may in form contain variability, but in substance are unavoidable);
- variable lease payments that depend on an index or a rate at the commencement date of the lease;
- payments due by the lessee under residual value guarantees;
- the exercise price of a purchase option, if that option is reasonably certain to be exercised;
- payments of penalties for terminating or not extending the lease.

During the term of the lease, the carrying amount of the lease obligation is:

- increased to reflect interest on the lease obligation, which is recognized as an expense in the income statement and calculated using the discount rate used on initial measurement; and
- reduced to reflect lease payments made.

The discount rate used to calculate the lease obligation is determined for each asset on the basis of the incremental borrowing rate at the inception date of the lease. That rate is obtained by aggregating a market rate that reflects the location, currency and lease term, and a sector-specific spread that reflects the nature of the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than twelve months. Such leases are recognized in profit or loss as and when lease payments are made. The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

As permitted by IFRS 16, the Colas Group has not elected to apply the standard to leases of intangible assets.

The portion of lease obligations due within less than one year is included in current liabilities.

#### 2.11.3 – Non-current provisions

A provision is recorded at the end of the reporting period if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the Group of resources embodying economic benefits.

The amount recognized as a provision represents the Group's best estimate of the net outflow of resources.

In general, non-current provisions are not associated with the Colas Group's normal operating cycle. They mainly comprise:

**Employee benefits**

**Pensions**

To cover their post-employment pension obligations to employees, Group companies make regular payments to external bodies including public-sector and private-sector pension schemes and independent pension fund managers (defined-contribution plans).

However, some defined-benefit pension plans remain in place in the United Kingdom, Ireland, Canada and Switzerland. With the exception of the Colas Rail Ltd plan, those plans cover only a limited number of employees, as it was decided some years ago to close them to new entrants. These pension plans are managed by independent pension fund managers.

**Lump-sum retirement benefits**

The cost of these benefits is calculated using the projected unit credit method based on final salary. The calculation method is based on individual projections and takes into account (i) employee turnover based on the average number of voluntary leavers by business segment, age bracket and employee category and (ii) estimated mortality, based on mortality tables.

Actuarial gains and losses are recognized in "Other recognized income and expense".

#### Long service awards

The vast majority of Group companies have a long-standing and systematic policy of awarding long service bonuses. The calculation method is based on individual projections and takes into account (i) employee turnover and (ii) estimated mortality, based on mortality tables.

Actuarial gains and losses are recognized in profit or loss.

#### Litigation and claims

##### Litigation and claims on contracts

The amount of risk provided for is measured on the basis of the claim made by the complainant, or an estimate of remedial works issued by court-appointed experts.

##### Risks relating to tax, social security and other official inspections

Reassessments are recognized in profit or loss in the period in which they are accepted by the Group; if they are contested, a provision is recognized (except where they relate to corporate income taxes, in which case a tax liability is recognized).

#### Provisions for customer warranties (long term)

These represent an estimate of works to be carried out under warranties that exceed the length of the operating cycle (1 to 2 years), such as the 10-year warranty provided on some constructions.

#### Site remediation costs (long term)

Detailed estimates are prepared of the remediation costs that will be incurred when quarries are exhausted or their operating licenses expire; these include labor and materials costs, and a share of overheads. Only costs that will be incurred more than twelve months after the end of the reporting period are included in this line item.

### 2.11.4 - Deferred tax liabilities

Deferred tax liabilities are income taxes payable in future periods in respect of taxable temporary differences (i.e. sources of future taxable profits).

A deferred tax liability is recognized for temporary differences generated by investments in subsidiaries, associates and joint ventures, unless (i) the parent company is able to control the date on which the temporary difference will reverse and (ii) it is probable that the temporary difference will not reverse in the foreseeable future (i.e. there are no plans to divest in the foreseeable future).

If it is probable that there will be a distribution of profits in the foreseeable future and there is no control over the investee (associates), a deferred tax liability is recognized.

## 2.12 – CURRENT LIABILITIES

### 2.12.1 – Current provisions

These are provisions related to the Colas Group's normal operating cycle, and mainly comprise:

#### Provisions for customer warranties (valid for up to two years)

Provisions for completion of snagging lists under contractual warranties are assessed individually for each project.

#### Provisions for site clean-up

These comprise costs to be incurred on post-contract clean-up, including the removal of plant and equipment. Such costs are assessed individually for each project, taking account of the size of the projects and the distance of the site from permanent Colas facilities.

#### Provisions for expected losses to completion

These relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

#### Site rehabilitation costs

These provisions cover the cost of rehabilitating sites (mainly quarries) after operations cease, where the work is to be carried out within the twelve months following the end of the reporting period.

As required by IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", information about the most significant provisions is disclosed to the extent that such disclosure is not prejudicial to the Group's interests.

### 2.12.2 – Trade payables

Because of the short-term nature of these liabilities, the carrying amounts shown in the consolidated financial statements are a reasonable estimate of market value.

### 2.12.3 – Customer contract liabilities

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract (see Note 11).

## 2.13 – INCOME STATEMENT

As allowed under IAS 1, the Group presents an income statement that classifies expenses by nature. In presenting its income statement, the Group has applied ANC Recommendations 2013-03 of November 7, 2013, and 2012-01 and 2012-02 of December 21, 2012.

### 2.13.1 – Revenue recognition

The Group recognizes revenue when:

- a customer contract, and the performance obligations within that contract, have been identified;
- a transaction price has been determined, and allocated between the performance obligations;
- the distinct performance obligations under the contract have been satisfied;
- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered;

Customer contracts are analyzed to determine what performance obligations they contain; most of the Group's contracts contain a single performance obligation.

**Sales of goods (bitumen and aggregates)**

Revenue is recognized when control of the goods is transferred, i.e. on delivery.

**Sales of services (railway maintenance, water & energy transport)**

Revenue is recognized as the service is provided.

**Construction contracts (road or railway infrastructure construction)**

Revenue from construction activities corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer or are highly probable.

Such revenue is recognized at the end of each period using the percentage of completion method, with the rate of completion determined on the basis of the cost of works completed.

As soon as a loss on a contract is known and can be reliably measured, it is covered by a provision for expected losses to completion within "Current provisions" in the balance sheet. The loss is provided for in full, irrespective of the completion rate.

#### 2.13.2 – Other operating income and expenses

These line items contain a very limited number of income and expense items, which are unusual and occur infrequently but are of particularly large amounts. The Group reports these items separately in its income statement to give users of the financial statements a better understanding of ongoing operational performance.

For a description of these items, refer to Note 13.

#### 2.13.3 – Cost of net debt

"Cost of net debt" includes expenses and income related to cash and cash equivalents, and borrowing costs.

### 2.14 – CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendation 2013-03 of November 7, 2013 (using the indirect method). The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:

— cash and cash equivalents;
— overdrafts and short-term bank borrowings.

Consolidated net profit is adjusted to eliminate the impact of transactions with no cash effect, and of income and expenses related to investing or financing activities.

### 2.15 – OTHER FINANCIAL INDICATORS

#### 2.15.1 – EBITDA after Leases

"EBITDA after Leases" is defined as current operating profit/loss after taking account of interest expense on lease obligations, before (i) net depreciation and amortization expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests.

"Other income from operations" and "Other expenses from operations", which are a component of current operating profit, mainly comprise:

— net foreign exchange differences on commercial transactions;
— gains and losses on disposals of non-current assets;
— profits and losses from joint operations, representing the Group's share of profits or losses from non-consolidated companies such as Sociétés en Participation (SEPs) for example those that operate asphalt mix and binder production facilities;
— royalties from the licensing of patents; and
— revenue from sales of raw material (bitumen) by Colas subsidiaries to asphalt mix and emulsion entities in the form of SEPs or economic interest Groupings that subsequently sell the asphalt mix and emulsion back to Colas subsidiaries (with the expense recognized in "Purchases used in production").

#### 2.15.2 – Net debt/Net surplus cash

Net debt (or net surplus cash) is obtained by aggregating the following items:

— cash and cash equivalents;
— overdrafts and short-term bank borrowings;
— non-current and current debt;
— financial instruments (used to hedge financial liabilities measured at fair value).

Net debt/net surplus cash does not include non-current and current lease obligations.

A positive figure represents net surplus cash and a negative figure represents net debt.

#### 2.15.3 – Free cash flow

Free cash flow is defined as net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements related to operating activities.

#### 2.15.4 – Changes in working capital requirements related to operating activities

"Changes in working capital requirements related to operating activities" as presented in the cash flow statement is obtained by aggregating net changes in:

— inventories and work in progress;
— advances and down-payments made;
— trade receivables;
— customer contract assets;
— trade payables;
— customer contract liabilities;
— current provisions;
— other current asset and liability items, excluding (i) income taxes; (ii) net cash and cash equivalents and current debt; (iii) hedging instruments; (iv) current lease obligations; and (v) receivables/liabilities related to property, plant and equipment and intangible assets.

# NOTE 3 – NON-CURRENT ASSETS

## 3.1 – ACQUISITIONS OF NON-CURRENT ASSETS DURING THE YEAR, NET OF DISPOSALS

| | 2020 | 2019 |
|---|---|---|
| Property, plant and equipment | 293 | 399 |
| Intangible assets and goodwill | 11 | 9 |
| **Capital expenditure** | **304** | **408** |
| Acquisitions of consolidated activities and investments in non-consolidated companies | 39 | 58 |
| **Acquisitions of non-current assets** | **343** | **466** |
| Proceeds from disposals of property, plant and equipment and intangible assets | (120) | (87) |
| Proceeds from disposals of consolidated activities and investments in non-consolidated companies | (1) | (26) |
| **Acquisitions of non-current assets, net of disposals** | **222** | **353** |

## 3.2 – NON-CURRENT ASSETS: MOVEMENTS DURING THE PERIOD

### 3.2.1 – Property, plant and equipment

| | Land and buildings | Plant, equipment and tooling | PP&E under construction and advance payments | Total |
|---|---|---|---|---|
| **Gross value** | | | | |
| **December 31, 2018 restated** | **1,813** | **5,890** | **105** | **7,808** |
| Translation adjustments | 32 | 91 | 1 | 124 |
| Transfers between accounts | 17 | 96 | (109) | 4 |
| Changes in scope of consolidation | 16 | 18 | | 34 |
| Acquisitions | 28 | 247 | 124 | 399 |
| Disposals | (42) | (500) | | (542) |
| **December 31, 2019** | **1,864** | **5,842** | **121** | **7,827** |
| Translation adjustments | (55) | (174) | (5) | (234) |
| Transfers between accounts | 23 | 104 | (119) | 8 |
| Changes in scope of consolidation | 3 | 14 | | 17 |
| Acquisitions | 41 | 129 | 123 | 293 |
| Disposals | (70) | (297) | | (367) |
| **December 31, 2020** | **1,806** | **5,618** | **120** | **7,544** |
| **Depreciation and impairment** | | | | |
| **December 31, 2018 restated** | **(740)** | **(4,499)** | | **(5,239)** |
| Translation adjustments | (8) | (65) | | (73) |
| Transfers between accounts | | (1) | | (1) |
| Changes in scope of consolidation | | 7 | | 7 |
| Charges and reversals | (67) | (374) | | (441) |
| Disposals | 31 | 467 | | 498 |
| **December 31, 2019** | **(784)** | **(4,465)** | | **(5,249)** |
| Translation adjustments | 16 | 133 | | 149 |
| Transfers between accounts | 2 | (9) | | (7) |
| Changes in scope of consolidation | | (1) | | (1) |
| Charges and reversals | (61) | (361) | | (422) |
| Disposals | 38 | 270 | | 308 |
| **December 31, 2020** | **(789)** | **(4,433)** | | **(5,222)** |
| **Carrying amount** | | | | |
| **December 31, 2018 restated** | **1,073** | **1,391** | **105** | **2,569** |
| Of which mineral deposits (quarries) | 293 | | | 293 |
| **December 31, 2019** | **1,080** | **1,377** | **121** | **2,578** |
| Of which mineral deposits (quarries) | 353 | | | 353 |
| **December 31, 2020** | **1,017** | **1,185** | **120** | **2,322** |
| Of which mineral deposits (quarries) | 316 | | | 316 |

### 3.2.2 – Right of use of leased assets

| | Land and buildings | Plant, equipment and tooling | Other property, plant and equipment | Total |
|---|---|---|---|---|
| **Gross value** | | | | |
| **December 31, 2018 restated** | **325** | **133** | **184** | **642** |
| Translation adjustments | 3 | 6 | 5 | 14 |
| Changes in scope of consolidation | 10 | 4 | | 14 |
| New leases, lease modifications, and other lease-related movements | 22 | (53) | 63 | 32 |
| **December 31, 2019** | **360** | **90** | **252** | **702** |
| Translation adjustments | (6) | (3) | (11) | (20) |
| Changes in scope of consolidation | (3) | 3 | (12) | (12) |
| New leases, lease modifications, and other lease-related movements | 19 | 26 | 34 | 79 |
| **December 31, 2020** | **370** | **116** | **263** | **749** |
| **Amortization and impairment** | | | | |
| **December 31, 2018 restated** | **(160)** | **(62)** | **(50)** | **(272)** |
| Translation adjustments | (1) | (2) | (2) | (5) |
| Changes in scope of consolidation | (1) | (1) | 1 | (1) |
| Charges and reversals | (37) | (16) | (37) | (90) |
| New leases, lease modifications, and other lease-related movements | 24 | 39 | 11 | 74 |
| **December 31, 2019** | **(175)** | **(42)** | **(77)** | **(294)** |
| Translation adjustments | 2 | 1 | 4 | 7 |
| Changes in scope of consolidation | 2 | | (1) | 1 |
| Charges and reversals | (42) | (18) | (37) | (97) |
| New leases, lease modifications, and other lease-related movements | 26 | 9 | 10 | 45 |
| **December 31, 2020** | **(187)** | **(50)** | **(101)** | **(338)** |
| **Carrying amount** | | | | |
| **December 31, 2018 restated** | **165** | **71** | **134** | **370** |
| **December 31, 2019** | **185** | **48** | **175** | **408** |
| **December 31, 2020** | **183** | **66** | **162** | **411** |

### 3.2.3 – Intangible assets

| | Concessions, patents and other rights [1] | Other | Total |
|---|---|---|---|
| **Gross value** | | | |
| **December 31, 2018** | **191** | **169** | **360** |
| Translation adjustments | 2 | 8 | 10 |
| Transfers between accounts | 4 | (1) | 3 |
| Changes in scope of consolidation | | 2 | 2 |
| Acquisitions | 4 | 5 | 9 |
| Disposals | (4) | (2) | (6) |
| **December 31, 2019** | **197** | **181** | **378** |
| Translation adjustments | (3) | (11) | (14) |
| Transfers between accounts | | (1) | (1) |
| Changes in scope of consolidation | | 4 | 4 |
| Acquisitions | 6 | 5 | 11 |
| Disposals | (6) | | (6) |
| **December 31, 2020** | **194** | **178** | **372** |
| **Amortization and impairment** | | | |
| **December 31, 2018** | **(95)** | **(52)** | **(147)** |
| Translation adjustments | (1) | (2) | (3) |
| Transfers between accounts | | | |
| Changes in scope of consolidation | (1) | | (1) |
| Charges and reversals | (11) | (10) | (21) |
| Disposals | 3 | 2 | 5 |
| **December 31, 2019** | **(105)** | **(62)** | **(167)** |
| Translation adjustments | 3 | 3 | 6 |
| Transfers between accounts | | | |
| Changes in scope of consolidation | | | |
| Charges and reversals | (10) | (10) | (20) |
| Disposals | 5 | | 5 |
| **December 31, 2020** | **(107)** | **(69)** | **(176)** |
| **Carrying amount** | | | |
| **December 31, 2018** | **96** | **117** | **213** |
| **December 31, 2019** | **92** | **119** | **211** |
| **December 31, 2020** | **87** | **109** | **196** |

*(1) "Concessions, patents and other rights" mainly comprise quarry operating rights and, to a lesser extent, patents and software.*

Research costs are expensed as incurred.

Development costs are in most cases also expensed as incurred, as they represent permanent recurring expenditure. There are no projects that meet the IAS 38 criteria for recognition as an asset.

### 3.2.4 – Goodwill

| | Gross value | Impairment | Carrying amount |
|---|---|---|---|
| **December 31, 2018** | **734** | **(60)** | **674** |
| Changes in scope of consolidation | 10 | | 10 |
| Impairment losses charged during the period | | (2) | (2) |
| Other movements (including translation adjustments) | (3) | 15 | 12 |
| Disposals and other reductions | | | |
| **December 31, 2019** | **741** | **(47)** | **694** |
| Changes in scope of consolidation | 23 | | 23 |
| Impairment losses charged during the period | | (2) | (2) |
| Other movements (including translation adjustments) | (18) | | (18) |
| Disposals and other reductions | | | |
| **December 31, 2020** | **746** | **(49)** | **697** |

Changes in scope of consolidation during the period relate to goodwill of €10 million arising on the operations of Granite Contracting LLC, acquired by Reeves Construction Company (a US Colas company), and to goodwill arising on acquisitions of activities in the Czech Republic (€8 million), Africa (€3 million) and Latin America (€2 million).

Other movements mainly comprise negative translation adjustments in Canada (€10 million), the United States (€6 million) and the United Kingdom (€2 million).

Since December 31, 2018, the Group has not made any material acquisitions, and has made no adjustments to previously-recognized material amounts of goodwill.

**Impairment testing of indefinite-lived intangible assets and goodwill**

When there is an indication that an asset may have become impaired, it is tested for impairment using the method described in Note 2.7. Such tests are performed at least once a year, after management has updated the budgets and three-year plans. An impairment loss is recognized within operating profit if the carrying amount of an asset or CGU exceeds its recoverable amount.

In the first half of 2020, the Covid-19 health crisis caused a decline in the Group's output (shutdown of worksites) which adversely affected its operating performance (see Note 1.2.1). Combined with a fall in share prices, this constituted an indication of potential impairment as of June 30, 2020.

Consequently, the business plan prepared at the end of 2019 was reviewed in June 2020 to simulate the consequences of the crisis for cash flow projections for the 2020-2022 period.

The impairment tests as of June 30, 2020 were performed on the basis of those simulations of future cash flows and of discount rates updated to that date, using the same method as was applied by the Group at the end of 2019 (as described in Note 2.7). Based on the assumptions used, the tests conducted as of June 30, 2020 showed no evidence that goodwill had become impaired.

An analysis of indefinite-lived intangible assets and goodwill by CGU, and of the main assumptions used in impairment testing, is provided below:

| Cash generating unit | Goodwill | Indefinite-lived intangible assets | Growth rate | Discount rate | |
|---|---|---|---|---|---|
| | | | | Scenario 2 [1] | Scenario 2 [1] |
| Roads France/OD-IO/Holding company | 164 | 21 | 2% | 8.05% | 7.51% |
| Roads EMEA | 34 | | 2% | 8.05% | 7.51% |
| Roads United States | 71 | | 2% | 8.05% | 7.51% |
| Roads Canada | 148 | 19 | 2% | 8.05% | 7.51% |
| Roads Asia-Pacific | 31 | | 2% | 8.05% | 7.51% |
| Railways | 248 | | 2% | 8.05% | 7.51% |
| Water and energy transport | 1 | | 2% | 8.05% | 7.51% |
| **Total** | **697** | **40** | | | |

*(1) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).*

For all the CGUs tested, the recoverable amounts determined under each capital structure scenario remain above the carrying amounts of the assets tested. Consequently, Colas did not perform any more detailed estimate of the recoverable amounts of the CGUs.

Sensitivity analyses were performed as of December 31, 2020 for each CGU to determine the sensitivity of the calculation to key parameters, either individually or using combined scenarios for discount rates and normative cash flows (including reasonably possible changes in normative cash flows).

Changes in assumptions applied for sensitivity analysis purposes:
— Discount rate: +100 basis points;
— Growth rate: -200 basis points;
— Normative cash flows: -20%.

For all sensitivities, recoverable amounts would exceed carrying amount for all assets tested.

For the principal CGUs (representing the majority of goodwill), the recoverable amount would equal the carrying amount of the assets tested in each of the scenarios (1 & 2) taken individually if the following data were applied:

| Cash generating units | Discount rate | Change in normative cash flows | | Perpetual growth rate | |
|---|---|---|---|---|---|
| | Scenario 1/ Scenario 2 (1) | Scenario 1 (1) | Scenario 2 (1) | Scenario 1 (1) | Scenario 2 (1) |
| Roads France/OD-IO/Holding company | 131% | (110%) | (109%) | N/S (2) | N/S (2) |
| Roads Canada | 11% | (38%) | (44%) | (1%) | (2%) |
| Railways | 14% | (57%) | (62%) | (5%) | (6%) |

*(1) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).*
*(2) Rate too negative to be meaningful.*

### 3.2.5 – Investments in joint ventures and associates

| | Share of net assets held | Goodwill and fair value remeasurements | Total gross value | Impairment | Carrying amount |
|---|---|---|---|---|---|
| **December 31, 2018** | **323** | **106** | **429** | **(35)** | **394** |
| Net profit/(loss) for the period | 45 | | 45 | (2) | 43 |
| Translation adjustments | 9 | (1) | 8 | | 8 |
| Changes in scope of consolidation | (3) | 1 | (2) | | |
| Acquisitions and other increases | | | | | |
| Dividends paid | (30) | | (30) | | (30) |
| Transfers and other movements | 9 | | 9 | | 9 |
| **December 31, 2019** | **353** | **106** | **459** | **(37)** | **422** |
| Net profit/(loss) for the period | 40 | | 40 | (2) | 38 |
| Translation adjustments | (20) | (4) | (24) | 1 | (23) |
| Changes in scope of consolidation | (2) | (1) | (3) | | (3) |
| Acquisitions and other increases | 5 | | 5 | | 5 |
| Dividends paid | (52) | | (52) | | (52) |
| Transfers and other movements | 8 | | 8 | | 8 |
| **December 31, 2020** | **332** | **101** | **433** | **(38)** | **395** |

| Principal associates and joint ventures | Share of net assets held | | Share of net profit/(loss) for period | |
|---|---|---|---|---|
| | 12/31/2020 | 12/31/2019 | 12/31/2020 | 12/31/2019 |
| **Associates** | | | | |
| Tipco Asphalt (1) | 125 | 126 | 30 | 28 |
| Mak Mecsek (2) | 36 | 36 | 3 | 3 |
| Miscellaneous associates | 15 | 23 | (7) | 2 |
| **Joint ventures** | | | | |
| Miscellaneous joint ventures (3) | 156 | 168 | 12 | 10 |
| **Total** | **332** | **353** | **38** | **43** |

*(1) Tipco Asphalt, based in Bangkok (Thailand), distributes and sells bituminous products in south-east Asia, and is listed on the Stock Exchange of Thailand.*
*(2) Mak Mecsek holds a 30-year P3 concession to build and operate a new 80-km section of the M6 (50 km) and M60 (30 km) highways in south-west Hungary.*
*(3) Most of these joint ventures are industrial entities (quarries, emulsion plants) operated jointly with partners from outside the Group, none of which is individually material.*

### 3.2.6 – Other non-current financial assets

As of December 31, 2020, these comprised:

— investments in non-consolidated companies: €29 million;

— other financial assets (loans, receivables, etc): €148 million;

| | Investments in non-consolidated companies | Other financial assets | Total gross value | Impairment | Carrying amount |
|---|---|---|---|---|---|
| **December 31, 2018** | **31** | **168** | **199** | **(7)** | **192** |
| Translation adjustments | 1 | 3 | 4 | | 4 |
| Changes in scope of consolidation | (10) | | (10) | | (10) |
| Acquisitions and other increases | 17 | 23 | 40 | | 40 |
| Charges and reversals | | | | 4 | 4 |
| Disposals and other reductions | (9) | (52) | (61) | | (61) |
| Transfers and other movements | | | | | |
| **December 31, 2019** | **30** | **142** | **172** | **(3)** | **169** |
| Translation adjustments | | (3) | (3) | | (3) |
| Changes in scope of consolidation | (38) | 11 | (27) | | (27) |
| Acquisitions and other increases | 39 | 14 | 53 | | 53 |
| Charges and reversals | | | | | |
| Disposals and other reductions | (2) | (13) | (15) | | (15) |
| Transfers and other movements | | | | | |
| **December 31, 2020** | **29** | **151** | **180** | **(3)** | **177** |
| Impairment | | (3) | (3) | | |
| **December 31, 2020 carrying amount** | **29** | **148** | **177** | | |

#### 3.2.6.1 – Analysis of principal investments in non-consolidated companies

| | 12/31/2020 Carrying amount | 12/31/2019 Carrying amount |
|---|---|---|
| Asphalt, binder and quarry companies | 14 | 15 |
| Companies not controlled by the Group | 8 | 8 |
| Dormant companies and companies in process of liquidation | 2 | 2 |
| Other | 5 | 5 |
| **Total** | **29** | **30** |

#### 3.2.6.2 – Analysis of other financial assets

| | Gross value | Impairment | 12/31/2020 Carrying amount | 12/31/2019 Carrying amount |
|---|---|---|---|---|
| Loans receivable (1) | 74 | (3) | 71 | 58 |
| City of Portsmouth (UK) (2) | 44 | | 44 | 51 |
| Other financial receivables | 33 | | 33 | 30 |
| **Total** | **151** | **(3)** | **148** | **139** |

*(1) "Loans receivable" mainly comprises interest-free 20-year loans granted in connection with the French legal obligation for employers to invest in construction, which are recognized at net present value as of the inception date of the loan.*

*(2) Amount receivable from the City of Portsmouth (UK) in consideration of services provided under the 25-year public-private partnership deal signed in 2004 to upgrade and maintain the urban road network, expiring in 2029. This receivable is measured using the financial asset model in accordance with IFRIC 12.*

3.2.6.3 – Analysis of non-current financial assets by accounting category

| | Fair value accounting | | | | |
|---|---|---|---|---|---|
| | Financial assets at fair value through OCI | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Loans and receivables | Total |
| **December 31, 2019** | **-** | **30** | **-** | **139** | **169** |
| Movements during 2020 | - | (1) | - | 9 | 8 |
| **December 31, 2020** | **-** | **29** | **-** | **148** | **177** |

## NOTE 4 – CURRENT ASSETS

### 4.1 – INVENTORIES, CURRENT RECEIVABLES AND PREPAID EXPENSES

| | December 31, 2020 | | | December 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Gross value | Impairment | Carrying amount | Gross value | Impairment | Carrying amount |
| **Inventories (1)** | **676** | **(70)** | **606** | **717** | **(42)** | **675** |
| **Advances and down-payments made on orders** | **40** | | **40** | **71** | | **71** |
| **Trade receivables (2)** | **2,368** | **(122)** | **2,246** | **2,709** | **(113)** | **2,596** |
| **Customer contract assets** | **618** | | **618** | **688** | | **688** |
| **Current tax assets** | **30** | | **30** | **49** | | **49** |
| Amounts due from employees, social security & government | 268 | | 268 | 277 | | 277 |
| Amounts due from related companies (joint ventures, associates, and investments in non-consolidated companies) and sundry receivables | 373 | (21) | 352 | 422 | (25) | 397 |
| Pension plan assets | 11 | | 11 | 15 | | 15 |
| Prepaid expenses | 54 | | 54 | 54 | | 54 |
| **Other receivables** | **706** | **(21)** | **685** | **768** | **(25)** | **743** |

*(1) Inventories consist of stocks of bitumen, aggregates, raw materials and other supplies.*

*(2) An analysis of the ageing of trade receivables is provided below:*

| | Balance Not past due | Balance past due by: | | | Total |
|---|---|---|---|---|---|
| | | Less than 6 months | 6 months to 1 year | More than 1 year | |
| Trade receivables: gross | 1,402 | 601 | 107 | 258 | 2,368 |
| Impairment | (2) | (3) | (7) | (110) | (122) |
| **Trade receivables at December 31, 2020 (net)** | **1,400** | **598** | **100** | **148** | **2,246** |
| Comparative at December 31, 2019 (net) | 1,570 | 781 | 132 | 113 | 2,596 |

An analysis of trade receivables more than twelve months past due and not covered by impairment allowances revealed no additional credit risk.

## 4.2 – CUSTOMER CONTRACT ASSETS

| | 12/31/2019 | Movements during 2020 | | | 12/31/2020 | Maturing | |
|---|---|---|---|---|---|---|---|
| | | Translation adjustments | Changes in scope of consolidation & other movements | Movements arising from operating activities | | < 1 year | > 1 year |
| Differences arising from percentage of completion on contracts (unbilled receivables on construction contracts) | 688 | (18) | (8) | (44) | 618 | 618 | - |
| **Total customer contract assets** | **688** | **(18)** | **(8)** | **(44)** | **618** | **618** | **-** |

## 4.3 – CASH AND CASH EQUIVALENTS

| | 12/31/2020 | | | 12/31/2019 | | |
|---|---|---|---|---|---|---|
| | Gross value | Impairment | Carrying amount | Gross value | Impairment | Carrying amount |
| Cash | 605 | | 605 | 466 | | 466 |
| Cash equivalents | 1 | | 1 | 22 | | 22 |
| **Total** | **606** | | **606** | **488** | | **488** |

Surplus cash is invested with high-quality French and foreign banks.

Cash and cash equivalents are measured at fair value, and cash equivalents are readily convertible into cash.

The table below shows an analysis of cash and cash equivalents by currency as of December 31:

| | Euro | USD (1) | CAD (1) | GBP (1) | Other (1) (2) | Total |
|---|---|---|---|---|---|---|
| Cash | 146 | 63 | 65 | 117 | 214 | 605 |
| Cash equivalents | | | | | 1 | 1 |
| **Total** | **146** | **63** | **65** | **117** | **215** | **606** |
| Comparative at December 31, 2019 | 123 | 50 | 54 | 65 | 196 | 488 |

*(1) Equivalent value in euros*
*(2) As of December 31, 2020, other currencies mainly comprise the Moroccan dirham (MAD), Czech koruna (CZK) and Polish zloty (PLN), for a combined amount of €65 million.*

The net cash position shown in the cash flow statement breaks down as follows:

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Cash and cash equivalents | 606 | 488 |
| Overdrafts and short-term bank borrowings. | (238) | (387) |
| **Total** | **368** | **101** |

### 4.4 – DEPRECIATION, AMORTIZATION, IMPAIRMENT AND PROVISIONS IN THE BALANCE SHEET AND INCOME STATEMENT

| | | | | Charges and reversals through current operating profit | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 12/31/2019 | Translation adjust-ments | Changes in scope of consolidation | Depre-ciation, amorti-zation & impair-ment (1) | Other impairment losses & provisions, net | Reversals (provisions not used) | Other impairment losses & other provisions (2) | Reversals on dispo-sals & other mo-vements | 12/31/2020 |
| Depreciation, amortization & impairment of property, plant & equipment and intangible assets | (5,416) | 154 | (1) | (442) | | | | 306 | (5,399) |
| Amortization and impairment of right of use of leased assets | (294) | 8 | | (97) | | | | 45 | (338) |
| Goodwill impairment | (47) | | | | (2) | | | | (49) |
| Impairment of other non-current financial assets | (40) | 1 | | | (1) | | | | (40) |
| **Sub-total: non-current assets** | **(5,797)** | **163** | **(1)** | **(539)** | **(3)** | | | **351** | **(5,826)** |
| Impairment of inventories | (42) | 1 | | | (31) | 2 | | | (70) |
| Impairment of trade receivables | (113) | 3 | | | (19) | 7 | | | (122) |
| Impairment of cash equivalents | | | | | | | | | |
| Impairment of other current assets (excluding tax assets) | (25) | | | | | | 4 | | (21) |
| **Sub-total: current assets** | **(180)** | **4** | | | **(50)** | **9** | **4** | | **(213)** |
| **Total assets** | **(5,977)** | **167** | **(1)** | **(539)** | **(53)** | **9** | **4** | **351** | **(6,039)** |
| Non-current provisions | (857) | 15 | 4 | | (52) | 27 | (25) | (53) | (941) |
| Current provisions | (323) | 6 | | | (132) | 53 | (4) | 3 | (397) |
| **Total: liabilities** | **(1,180)** | **21** | **4** | | **(184)** | **80** | **(29)** | **(50)** | **(1,338)** |
| **Grand total** | **(7,157)** | **188** | **3** | **(539)** | **(237)** | **89** | **(25)** | **301** | **(7,377)** |

*(1) Charged against property plant and equipment, intangible assets, and rights of use of leased assets.*
*(2) Recognized in "Other operating income and expenses" or "Other financial income/(expenses), net".*

## NOTE 5 – CONSOLIDATED SHAREHOLDERS' EQUITY

### 5.1 – SHARE CAPITAL OF COLAS SA (€)

**Composition of the share capital**

The share capital of Colas as of December 31, 2020 was €48,981,748.50.

It consists of 32,654,499 shares with a par value of €1.50, all ranking equally (although registered shares held by the same shareholder for more than two years carry double voting rights).

There have been no changes in share capital since January 1, 2020.

**Principal shareholders**

| | Number of shares | % interest |
|---|---|---|
| Bouygues SA | 31,611,646 | 96.81% |
| Other shareholders | 1,042,853 | 3.19% |

#### Treasury shares held as of December 31, 2020

Colas held 20,879 of its own shares at a carrying amount of €2,934,021.66 as of December 31, 2020.

#### Stock subscription options outstanding

None.

#### Translation reserve

The table below shows the principal translation reserves as of December 31, 2020, as determined for financial statements of subsidiaries and associates expressed in currencies other than the euro:

| | 12/31/2019 | Movements during 2020 | 12/31/2020 |
|---|---|---|---|
| United States | 52 | (41) | 11 |
| Canada | 12 | (47) | (35) |
| United Kingdom | (11) | (4) | (15) |
| Slovakia | 12 | | 12 |
| Czech Republic | 7 | (2) | 5 |
| Australia | (8) | 1 | (7) |
| Other countries | 9 | (35) | (26) |
| **Total translation reserve** | **73** | **(128)** | **(55)** |

### 5.2 – SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AND NON-CONTROLLING INTERESTS AT DECEMBER 31, 2020

| | Share capital | Share premium | Reserves related to capital | Retained earnings | Reserves and consolidated net profit | Items recognized directly in equity | 12/31/2020 |
|---|---|---|---|---|---|---|---|
| Attributable to the Group | 49 | 406 | 21 | 818 | 1,480 | (177) | 2,597 |
| Non-controlling interests | | | | | 24 | | 24 |
| **Total shareholders' equity** | **49** | **406** | **21** | **818** | **1,504** | **(177)** | **2,621** |

## NOTE 6 – NON-CURRENT AND CURRENT PROVISIONS

### 6.1 – NON-CURRENT PROVISIONS

| | Employee benefits | Litigation and claims | Warranties (long term) | Site rehabilitation (long term) | Other | Total |
|---|---|---|---|---|---|---|
| **December 31, 2018 restated** | **363** | **174** | **53** | **164** | **38** | **792** |
| Translation adjustments | 4 | | | 2 | | 6 |
| Transfers between accounts | (5) | (3) | 1 | 5 | 9 | 7 |
| Changes in scope of consolidation | (1) | 1 | 1 | | 4 | 5 |
| Actuarial (gains)/losses recognized in equity | 34 | | | | | 34 |
| Charges to provisions | 24 | 32 | 17 | 31 | 12 | 116 |
| Reversals (provisions used) | (10) | (12) | (7) | (26) | (14) | (69) |
| Reversals (provisions not used) | (13) | (10) | (7) | (3) | (1) | (34) |
| **December 31, 2019** | **396** | **182** | **58** | **173** | **48** | **857** |
| Translation adjustments | (5) | | (4) | (4) | (1) | (14) |
| Transfers between accounts | (6) | (1) | | 1 | 10 | 4 |
| Changes in scope of consolidation | | (1) | | | (3) | (4) |
| Actuarial (gains)/losses recognized in equity | 48 | | | | | 48 |
| Charges to provisions | 36 | 40 | 25 | 45 | 13 | 159 |
| Reversals (provisions used) | (31) | (14) | (7) | (19) | (11) | (82) |
| Reversals (provisions not used) | (7) | (13) | (3) | (1) | (3) | (27) |
| **December 31, 2020** | **431** | **193** | **69** | **195** | **53** | **941** |

| Analysis of principal provisions | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Long service awards | 86 | 85 |
| Lump-sum retirement benefits | 220 | 220 |
| Pensions | 125 | 91 |
| **Employee benefits** | **431** | **396** |
| Disputes with customers | 42 | 41 |
| Disputes with employees | 23 | 21 |
| Disputes with social security bodies | 88 | 86 |
| Disputes with tax authorities | 3 | 5 |
| Disputes with other official bodies | 1 | 2 |
| Other disputes | 36 | 27 |
| **Litigation and claims** | **193** | **182** |

The assumptions used to determine provisions for employee benefits have been updated (see Note 20.3.3.).

The impact of the changes in actuarial assumptions was recorded in recognized income and expense (for lump-sum retirement benefits and pensions), and in profit or loss under "Personnel costs" (for long service awards).

## 6.2 – CURRENT PROVISIONS

| | Expected losses to completion | Project risks and project completion | Warranties (short term) | Site rehabilitation (short term) | Other | Total |
|---|---|---|---|---|---|---|
| **December 31, 2018** | **90** | **75** | **38** | **11** | **57** | **271** |
| Translation adjustments | 1 | 1 | | 1 | 1 | 4 |
| Transfers between accounts | | 1 | (1) | (1) | 2 | 1 |
| Changes in scope of consolidation | (1) | (1) | | | (1) | (3) |
| Charges to provisions | 88 | 41 | 11 | 1 | 55 | 196 |
| Reversals (provisions used) | (35) | (25) | (9) | (1) | (25) | (95) |
| Reversals (provisions not used) | (32) | (12) | (4) | | (3) | (51) |
| **December 31, 2019** | **111** | **80** | **35** | **11** | **86** | **323** |
| Translation adjustments | (1) | (2) | (1) | | (3) | (7) |
| Transfers between accounts | | (1) | (1) | | (1) | (3) |
| Changes in scope of consolidation | | | | | | |
| Charges to provisions | 133 | 42 | 18 | 1 | 53 | 247 |
| Reversals (provisions used) | (47) | (19) | (3) | (1) | (39) | (109) |
| Reversals (provisions not used) | (24) | (15) | (6) | | (9) | (54) |
| **December 31, 2020** | **172** | **85** | **42** | **11** | **87** | **397** |

## NOTE 7 – DEFERRED TAX ASSETS AND LIABILITIES

| | Deferred tax assets |
|---|---|
| **December 31, 2018 restated** | **150** |
| Translation adjustments | 2 |
| Transfers between accounts & other | 1 |
| Changes in scope of consolidation | 1 |
| Net movement | (9) |
| **December 31, 2019** | **145** |
| Translation adjustments | (2) |
| Transfers between accounts & other | 8 |
| Changes in scope of consolidation | (1) |
| Net movement | (1) |
| **December 31, 2020** | **149** |

Deferred tax assets not recognized because recovery is judged not to be probable amounted to €181 million as of December 31, 2020 (€141 million as of December 31, 2019).

The period to recovery of deferred tax assets is in most cases more than four years.

| | Deferred tax liabilities |
|---|---|
| **December 31, 2018 restated** | **122** |
| Translation adjustments | 6 |
| Transfers between accounts & other | (8) |
| Changes in scope of consolidation | 2 |
| Net movement | (5) |
| **December 31, 2019** | **117** |
| Translation adjustments | (8) |
| Transfers between accounts & other | (3) |
| Changes in scope of consolidation | (1) |
| Net movement | (5) |
| **December 31, 2020** | **100** |

Deferred tax liabilities arise mainly from temporary differences between tax and accounting treatments, including fair value remeasurements and differences in depreciation methods.

### PRINCIPAL SOURCES OF DEFERRED TAXATION

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| **Deferred tax assets** | | |
| Employee benefits | 76 | 73 |
| Tax losses | 30 | 32 |
| Remeasurement of financial instruments | 4 | 4 |
| Other temporary differences | 30 | 25 |
| **Deferred tax liabilities** | | |
| Restricted provisions booked solely for tax purposes | (9) | (10) |
| Non-current assets (IFRS 16, fair value remeasurements) | (78) | (92) |
| Remeasurement of financial instruments | (3) | (4) |
| Other temporary differences | (1) | |
| **Net deferred tax asset/(liability)** | **49** | **28** |

## NOTE 8 – NON-CURRENT AND CURRENT DEBT

### 8.1 – INTEREST-BEARING DEBT BY MATURITY

| December 31, 2019 | Maturing in less than 1 year | Maturing after more than 1 year | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | More than 5 years | Total > 1 year 12/31/2019 |
| Bank borrowings | 29 | 326 | 40 | 13 | 8 | 39 | 426 |
| Other borrowings | 7 | 4 | | | | 1 | 5 |
| **Sub-total** | **36** | **330** | **40** | **13** | **8** | **40** | **431** |
| Overdrafts and short-term bank borrowings (1) | 387 | | | | | | |
| **Total current and non-current debt at December 31, 2019** | **423** | **330** | **40** | **13** | **8** | **40** | **431** |

*(1) Of which current account with Bouygues Relais (Bouygues Group cash pooling entity): €315 million.*

| December 31, 2020 | Maturing in less than 1 year | Maturing after more than 1 year | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | More than 5 years | Total > 1 year 12/31/2020 |
| Bank borrowings | 19 | 214 | 45 | 10 | 9 | 48 | 326 |
| Other borrowings | 9 | 2 | 2 | 2 | 2 | 12 | 20 |
| **Sub-total** | **28** | **216** | **47** | **12** | **11** | **60** | **346** |
| Overdrafts and short-term bank borrowings (1) | 238 | | | | | | |
| **Total current and non-current debt at December 31, 2020** | **266** | **216** | **47** | **12** | **11** | **60** | **346** |

*(1) Of which current account with Bouygues Relais (Bouygues Group cash pooling entity): €171 million.*

### 8.2 – CONFIRMED CREDIT FACILITIES AND DRAWDOWNS

As of December 31, 2019, confirmed facilities amounted to €2,801 million, of which €467 million was drawn down. As of December 31, 2020, confirmed credit facilities and drawdowns were as follows:

| | Confirmed facilities – Maturity | | | | Drawdowns – Maturity | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1 to 5 years | More than 5 years | Total | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| Credit facilities | 90 | 2,714 | 60 | 2,864 | 28 | 286 | 60 | 374 |

Undrawn confirmed credit facilities amounted to €2,490 million as of December 31, 2020.

### 8.3 – LIQUIDITY AT DECEMBER 31, 2020

As of December 31, 2020, available cash stood at €368 million. The Group also had €2,428 million of undrawn confirmed medium-term credit facilities (maturing after more than one year) as of that date, versus €2,141 million as of December 31, 2019.

The confirmed bank credit facilities contracted by companies under the control of Colas are not subject to any material contractual clauses liable to make them due on demand or before maturity, except for the financing of Colas Canada's acquisition of Miller McAsphalt which is temporarily subject to a financial covenant linked to the debt/EBITDA ratio.

### 8.4 – SPLIT OF CURRENT AND NON-CURRENT DEBT BY INTEREST RATE TYPE

Fixed-rate debt represented 23% of the total amount of current and non-current debt (including the effect of all open interest rate hedges at the end of the reporting period, and excluding overdrafts and short-term bank loans), compared with 41% at the end of 2019.

The table below gives a maturity analysis of floating-rate debt not hedged by interest rate swaps:

| | Maturity | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Less than 1 year (1) | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | More than 5 years | |
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 and later | |
| Floating-rate debt | 28 | 205 | 37 | 5 | 3 | 8 | 286 |

*(1) Fixed-rate debt maturing within less than one year is treated as though it were floating-rate.*

### 8.5 – INTEREST RATE RISK

The split of financial assets and financial liabilities by type of interest as of December 31, 2020 is shown below:

| | Floating-rate | Fixed-rate | Total |
|---|---|---|---|
| Cash and cash equivalents | 606 | | 606 |
| Borrowings (1) (2) | (348) | (26) | (374) |
| Bank overdrafts and short-term bank loans | (238) | | (238) |
| **Net pre-hedging position** | **20** | **(26)** | **(6)** |
| Interest rate hedges (2) | 62 | (62) | |
| **Net post-hedging position** | **82** | **(88)** | **(6)** |
| Adjustment for seasonal nature of operations (3) | (734) | | (734) |
| Adjustment for seasonal nature of interest rate hedges (4) | 392 | (392) | |
| **Net post-hedging position after adjustment** | **(260)** | **(480)** | **(740)** |

*(1) Includes the fair value of interest rate swaps recognized in the balance sheet within "Financial instruments – Hedging of debt" (amount immaterial).*
*(2) Fixed-rate debt and interest rate hedges maturing within less than one year are treated as though they were floating-rate.*
*(3) Operations, and cash flows from operations, are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash position over the full year, which is used as the basis for analyzing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between the average cash position over the full year (calculated on the basis of average monthly cash positions) and the net cash position in the balance sheet at December 31.*
*(4) This adjustment enables the average notional amount of cyclical interest rate hedges that were contracted in 2019 and had matured by December 31, 2020 to be taken into account.*

The effect of an immediate 1% rise in short-term interest rates on the net post-hedging position as presented above would be to increase the cost of net debt by €3 million.

### 8.6 – SPLIT OF CURRENT AND NON-CURRENT DEBT BY CURRENCY

| | | Equivalent value in € million | | | | Total |
|---|---|---|---|---|---|---|
| | Euro | USD | CAD | GBP | Other | |
| **Debt at December 31, 2020** | | | | | | |
| Non-current | 33 | 7 | 192 | 61 | 53 | 346 |
| Current | 212 | 4 | | 9 | 41 | 266 |
| **Debt at December 31, 2019** | | | | | | |
| Non-current | 42 | 12 | 305 | 48 | 24 | 431 |
| Current | 330 | 4 | 10 | 12 | 67 | 423 |

## NOTE 9 – MAIN COMPONENTS OF CHANGE IN NET DEBT

### 9.1 – CHANGE IN NET DEBT

| | 12/31/2019 | Cash flows | Changes in scope of consolidation | Translation adjustments | Fair value adjustments | Other impacts | 12/31/2020 |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 488 | 105 | 10 | (22) | | 25 | 606 |
| Overdrafts and short-term bank borrowings | (387) | 182 | (9) | 1 | | (25) | (238) |
| **Net cash position (A)** | **101** | **287** | **1** | **(21)** | | | **368** |
| Non-current debt [(1)] | 431 | (52) | | (20) | | (13) | 346 |
| Current debt [(1)] | 36 | (16) | | (1) | | 9 | 28 |
| Financial instruments, net | 1 | | | | | | 1 |
| **Total debt (B)** | **468** | **(68)** | | **(21)** | | **(4)** | **375** |
| **Net surplus cash/(net debt) (A) – (B) [(2)]** | **(367)** | **355** | **1** | | | **4** | **(7)** |

*(1) Analysis of cash flows impacting debt:*

| | Increases | Decreases | Cash flows |
|---|---|---|---|
| Non-current debt | 1,071 | (1,123) | (52) |
| Current debt | 9 | (25) | (16) |

*(2) See Note 2.15.2.*

### 9.2 – PRINCIPAL CHANGES IN NET DEBT DURING 2020

| | 2020 | 2019 |
|---|---|---|
| **Net surplus cash/(net debt) at start of period** | **(367)** | **(475)** |
| Net cash generated by/(used in) operating activities | 996 | 798 |
| Net cash generated by/(used in) investing activities | (288) | (345) |
| Interest expense on debt and lease obligations | (42) | (48) |
| Dividends paid | (212) | (183) |
| Adjustment for repayments of lease obligations | (99) | (88) |
| Other (exchange rate fluctuations, changes in scope of consolidation, etc) [(1)] | 5 | (26) |
| **Net surplus cash/(net debt) at end of period** | **(7)** | **(367)** |

*(1) In 2019: mainly the effect of exchange rate movements (CAD).*

## NOTE 10 – NON-CURRENT LEASE AND CURRENT LEASE OBLIGATIONS

### 10.1 – MATURITY ANALYSIS OF LEASE OBLIGATIONS

| | Current lease obligations | Non-current lease obligations | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Maturing in less than 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | 5 to 6 years | 6 years and over | Total maturing after >1 year |
| 12/31/2020 | 96 | 89 | 70 | 53 | 47 | 34 | 52 | 345 |
| 12/31/2019 | 93 | 85 | 72 | 47 | 41 | 35 | 55 | 335 |

### 10.2 – MOVEMENT IN LEASE OBLIGATIONS

| | 12/31/2019 | Translation adjustments | Changes in scope of consolidation | Cash flows | New leases, lease modifications, and other lease-related movements | 12/31/2020 |
|---|---|---|---|---|---|---|
| Non-current lease obligations | 335 | (9) | | | 19 | 345 |
| Current lease obligations | 93 | (3) | | (99) | 105 | 96 |
| **Total lease obligations** | **428** | **(12)** | | **(99)** | **124** | **441** |

## NOTE 11 – CURRENT LIABILITIES

### 11.1 – CURRENT LIABILITIES

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Current debt [1] | 28 | 36 |
| Current lease obligations | 96 | 93 |
| Current tax liabilities | 80 | 95 |
| Trade payables | 1,884 | 2,114 |
| Customer contract liabilities [2] | 791 | 863 |
| Current provisions [3] | 397 | 323 |
| Other current liabilities, accruals/deferred income and similar: | 1,304 | 1,375 |
| *amounts due to employees, social security and government* | *920* | *935* |
| *other non-financial liabilities* | *384* | *440* |
| Overdrafts and short-term bank borrowings. | 238 | 387 |
| Financial instruments – Hedging of debt | 11 | 12 |
| Other current financial liabilities | 6 | 2 |
| **Total** | **4,835** | **5,300** |

*(1) See analysis in Note 8.*
*(2) See analysis below.*
*(3) See analysis in Note 6.2.*

### 11.2 – CUSTOMER CONTRACT LIABILITIES

| | 12/31/2019 | Translation adjustments | Changes in scope of consolidation & other movements | Movements arising from operating activities | 12/31/2020 |
|---|---|---|---|---|---|
| Advances and down-payments received on orders | 494 | (15) | (8) | (124) | 347 |
| Differences relating to percentage of completion on contracts [1] | 369 | (8) | (1) | 84 | 444 |
| **Customer contract liabilities** | **863** | **(23)** | **(9)** | **(40)** | **791** |

*(1) Primarily deferred income on construction contracts.*

## NOTE 12 – SALES AND ORDER BACKLOG

### ANALYSIS BY TYPE OF REVENUE

| | 2020 | 2019 |
|---|---|---|
| Sales of goods | 2,224 | 2,561 |
| Sales of services | 250 | 377 |
| Construction contracts | 9,823 | 10,750 |
| **Sales** | **12,297** | **13,688** |

The amount of revenue recognized on works completed in the previous period is immaterial.

### ORDER BACKLOG

The order backlog represents the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensive conditions lifted).

The order backlog stood at €9,152 million as of December 31, 2020.

| | 12/31/2019 | Translation adjustments | Changes in scope of consolidation | Movements arising from operating activities | 12/31/2020 |
|---|---|---|---|---|---|
| **Order backlog** | **9,209** | **(115)** | **0** | **58** | **9,152** |
| maturing within less than 1 year | 5,820 | | | | 5,707 |
| maturing within 1 to 5 years | 3,011 | | | | 3,062 |
| maturing after more than 5 years | 378 | | | | 383 |

## NOTE 13 – OPERATING PROFIT

See Note 17 for an analysis of current operating profit/loss and operating profit/loss by operating segment.

Current operating profit for 2020 includes lease expense of approximately €650 million on leases exempt from IFRS 16. Most of that amount relates to short-term leases, or leases of assets with a low as-new value.

### ANALYSIS OF OTHER INCOME AND EXPENSES FROM OPERATIONS

| | 2020 | 2019 |
|---|---|---|
| Profits transferred from/losses transferred to joint operations | 37 | 41 |
| Proceeds from asset disposals | 120 | 111 |
| Reversals of unutilized provisions and impairment | 89 | 99 |
| Other items [(1)] | 376 | 396 |
| **Other income from operations** | **622** | **647** |
| Profits transferred to/losses transferred from joint operations | (27) | (26) |
| Carrying amount of divested assets | (59) | (54) |
| Other items | (71) | (73) |
| **Other expenses on operations** | **(157)** | **(153)** |

*(1) Mainly expenses recharged to partners in Sociétés en participation and economic interest Groupings.*

### ANALYSIS OF OTHER OPERATING INCOME AND EXPENSES

| | 2020 | 2019 |
|---|---|---|
| Other operating income | 2 | |
| **Other operating income** | **2** | |
| Other operating expenses | (71) | (28) |
| **Other operating expenses** | **(71)** | **(28)** |

Other operating income and expenses for 2020 mainly comprise net expenses related to the reorganization of Colas operations in France, and additional dismantling costs at the Dunkerque site. For 2019, the main item was expense relating to restructuring at Société de la Raffinerie de Dunkerque (SRD).

## NOTE 14 – COST OF NET DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

| 14.1 – ANALYSIS OF COST OF NET DEBT | 2020 | 2019 |
|---|---|---|
| Interest income relating to the net cash position | 11 | 17 |
| Income from short-term investments | | 1 |
| **Financial income** | **11** | **18** |
| Interest expense relating to the net cash position | (11) | (12) |
| Interest expense on debt | (27) | (39) |
| **Financial expenses** | **(38)** | **(51)** |
| **Cost of net debt** | **(27)** | **(33)** |

| 14.2 – OTHER FINANCIAL INCOME/(EXPENSES) | 2020 | 2019 |
|---|---|---|
| Dividends received from non-consolidated companies | 1 | 3 |
| Reversals of financial provisions | 7 | 8 |
| Proceeds from disposals of financial assets | 1 | 3 |
| Other income | 4 | 8 |
| **Other financial income** | **13** | **22** |
| Charges to financial provisions | (2) | (1) |
| Carrying amount of divested financial assets | (2) | (7) |
| Other expenses | (10) | (12) |
| **Other financial expenses** | **(14)** | **(20)** |
| **Other financial income/(expenses), net** | **(1)** | **2** |

## NOTE 15 – INCOME TAX EXPENSE

| 15.1 – ANALYSIS OF INCOME TAX EXPENSE | 2020 | 2019 |
|---|---|---|
| Current taxes | (96) | (125) |
| Deferred taxes | 4 | (4) |
| Back tax, tax relief, and other taxes not related to profit or loss | 12 | (7) |
| Taxes on dividends | (6) | (5) |
| **Income tax expense** | **(86)** | **(141)** |
| Net change in provisions for income taxes | | |
| **Income tax expense, net** | **(86)** | **(141)** |

### 15.2 – TAX PROOF (RECONCILIATION BETWEEN THEORETICAL AND ACTUAL INCOME TAX EXPENSE)

The table below shows the reconciling items between (i) theoretical income tax expense determined using the standard rate applicable to the parent company, Colas SA (32.02% in 2020, 34.43% in 2019) and actual income tax expense for the period.

| | 2020 | 2019 |
|---|---|---|
| Theoretical income tax expense | (45) | (124) |
| Impact of reduced or uplifted tax rates | 22 | 33 |
| Recognition of previously unrecognized deferred tax assets | 2 | 4 |
| Unrecognized deferred tax assets [(1)] | (68) | (42) |
| Taxes not related to profit or loss | 6 | (12) |
| Effect of French tax credits (CICE and CIR) | 2 | 2 |
| Effect of other permanent differences [(2)] | (5) | (2) |
| **Actual income tax expense** | **(86)** | **(141)** |

*(1) Recovery judged too remote.*
*(2) Of which impact of future enacted tax rates in 2020: France: -€3 million.*

## NOTE 16 – BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is obtained by dividing net profit attributable to the Group for the period by the weighted average number of shares outstanding during the period, excluding own shares held.

| | 2020 | 2019 |
|---|---|---|
| Net profit attributable to the Group (€) | 93,824,000 | 260,762,000 |
| Weighted average number of shares outstanding | 32,633,901 | 32,634,183 |
| **Basic earnings per share** (€) | **€2.88** | **€7.99** |

Diluted earnings per share is obtained by dividing net profit attributable to the Group for the period by the weighted average number of shares outstanding during the period, after allowing for the potential conversion of all shares that could have a dilutive effect.

As there are no longer any stock subscription options outstanding, diluted earnings per share is the same as basic earnings per share.

| | | |
|---|---|---|
| **Diluted earnings per share** (€) | **€2.88** | **€7.99** |

| **Total dividend payout** (€ million) | 2020 | 2019 |
|---|---|---|
| Interim dividend | - | - |
| Final dividend | 95 | 209 |
| **Total net dividend** | **95** | **209** |

| **Dividend per share** (€) | 2020 | 2019 |
|---|---|---|
| Interim dividend | - | - |
| Final dividend | €2.90 | €6.40 |
| **Total net dividend per share** | **€2.90** | **€6.40** |

The total dividend to be paid in respect of the 2020 financial year will be submitted for approval at the Annual General Meeting of the shareholders on April 20, 2021.

## NOTE 17 – SEGMENT INFORMATION & OTHER FINANCIAL INDICATORS

IFRS 8, "Operating segments", requires operating segments to be identified on the basis of internal reports that are reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

**Determination of operating segments**

Effective January 1, 2020, the organizational structure was changed, in order to develop transverse working and unlock synergies within the Group. As a result, the Group's operating segments were redefined as follows:

- **Roads France/OD-IO**: consists of the Roads business and Road Safety & Signaling activities in France, the French overseas departments and the Indian Ocean;
- **Roads EMEA (Europe-Middle East-Africa)**: consists of the Roads business in Europe (excluding France), the Middle East and Africa;
- **Roads United States**: consists of the Roads business in the United States;
- **Roads Canada**: consists of the Roads business in Canada;
- **Roads Asia-Pacific**: consists of the Roads business in Asia, Oceania and Latin America;
- **Railways and other activities**: consists of the Group's Railways and Water & Energy Transport activities in France and internationally;
- **Holding company**: consists of activities carried out at Colas corporate headquarters.

Operating segment information is compiled using the same accounting policies as are used in the preparation of the consolidated financial statements, as described in the notes to the financial statements.

| **Analysis of sales by type of contract** | Roads | Railways & Other Activities | Total |
|---|---|---|---|
| Public sector customers | 63% | 79% | 65% |
| Private sector customers and individuals | 37% | 21% | 35% |

No customer individually represents more than 10% of sales.

## 17.1 – SEGMENTAL ANALYSIS

**Income statement by operating segment**

| | Roads France/ OD-IO | Roads EMEA | Roads United States | Roads Canada | Roads Asia-Pacific | Railways & Other Activities | Holding company | Total Group |
|---|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | | |
| Services and construction contracts | 5,380 | 1,763 | 1,310 | 1,161 | 192 | 1,297 | 24 | 11,127 |
| Sales of goods | 697 | 456 | 470 | 614 | 210 | 113 | 1 | 2,561 |
| **Sales** | **6,077** | **2,219** | **1,780** | **1,775** | **402** | **1,410** | **25** | **13,688** |
| **Current operating profit/(loss)** | **230** | **58** | **60** | **65** | **8** | | **12** | **433** |
| Other operating income and expenses | (13) | | | | | (1) | (14) | (28) |
| **Operating profit/(loss)** | **217** | **58** | **60** | **65** | **8** | **(1)** | **(2)** | **405** |
| Cost of net debt | (2) | (1) | (4) | (21) | (3) | (5) | 3 | (33) |
| Interest expense on lease obligations | (4) | (1) | (2) | (2) | (1) | (3) | (2) | (15) |
| Other financial income/(expenses), net | | 1 | | | | | 1 | 2 |
| Income tax | (75) | (19) | (16) | (12) | (2) | (13) | (4) | (141) |
| Share of net profits/(losses) of joint ventures and associates | 2 | 2 | (2) | 4 | 36 | 1 | | 43 |
| **Net profit/(loss)** | **138** | **40** | **36** | **34** | **38** | **(21)** | **(4)** | **261** |
| **Net profit/(loss) attributable to the Group** | **138** | **40** | **36** | **34** | **38** | **(21)** | **(4)** | **261** |
| **2020** | | | | | | | | |
| Services and construction contracts | 4,553 | 1,716 | 1,253 | 1,162 | 181 | 1,193 | 15 | 10,073 |
| Sales of goods | 634 | 388 | 447 | 569 | 170 | 16 | | 2,224 |
| **Sales** | **5,187** | **2,104** | **1,700** | **1,731** | **351** | **1,209** | **15** | **12,297** |
| **Current operating profit/(loss)** | **130** | **(14)** | **40** | **86** | **5** | **(16)** | **23** | **254** |
| Other operating income and expenses | (30) | | | | | 2 | (41) | (69) |
| **Operating profit/(loss)** | **100** | **(14)** | **40** | **86** | **5** | **(14)** | **(18)** | **185** |
| Cost of net debt | (3) | (2) | (2) | (14) | (1) | (5) | | (27) |
| Interest expense on lease obligations | (4) | (2) | (2) | (2) | (1) | (3) | (1) | (15) |
| Other financial income/(expenses), net | | 1 | | | | (1) | (1) | (1) |
| Income tax | (43) | (19) | (5) | (11) | (2) | (4) | (2) | (86) |
| Share of net profits/(losses) of joint ventures and associates | | (10) | (2) | 16 | 34 | | | 38 |
| **Net profit/(loss)** | **50** | **(46)** | **29** | **75** | **35** | **(27)** | **(22)** | **94** |
| **Net profit/(loss) attributable to the Group** | **50** | **(46)** | **29** | **75** | **35** | **35** | **(22)** | **94** |

**Segmental assets and liabilities**

| | Roads France/ OD-IO | Roads EMEA | Roads United States | Roads Canada | Roads Asia-Pacific | Railways & Other Activities | Holding company | Total Group |
|---|---|---|---|---|---|---|---|---|
| December 31, 2019 | | | | | | | | |
| Non-current assets | 1,254 | 633 | 518 | 943 | 333 | 615 | 331 | 4,627 |
| Current assets | 2,215 | 1,117 | 356 | 610 | 139 | 765 | 120 | 5,322 |
| Held-for-sale assets | | | | | | | | - |
| **Total assets** | **3,469** | **1,750** | **874** | **1,553** | **472** | **1,380** | **451** | **9,949** |
| Non-current liabilities | 550 | 208 | 104 | 462 | 46 | 247 | 123 | 1,740 |
| Current liabilities | 2,159 | 1,015 | 285 | 393 | 137 | 743 | 568 | 5,300 |
| Liabilities related to held-for-sale assets | | | | | | | | - |
| **Total liabilities** | **2,709** | **1,223** | **389** | **855** | **183** | **990** | **691** | **7,040** |
| **Net assets** | **760** | **527** | **485** | **698** | **289** | **390** | **(240)** | **2,909** |
| **Acquisitions of property, plant & equipment and intangible assets, net of disposals** | **(144)** | **(53)** | **(35)** | **(44)** | **(11)** | **(18)** | **(16)** | **(321)** |
| December 31, 2020 | | | | | | | | |
| Non-current assets | 1,196 | 590 | 481 | 854 | 349 | 572 | 305 | 4,347 |
| Current assets | 1,966 | 1,014 | 348 | 520 | 114 | 766 | 113 | 4,841 |
| **Total assets** | **3,162** | **1,604** | **829** | **1,374** | **463** | **1,338** | **418** | **9,188** |
| Non-current liabilities | 588 | 223 | 97 | 355 | 66 | 268 | 135 | 1,732 |
| Current liabilities | 1,867 | 981 | 283 | 310 | 114 | 723 | 557 | 4,835 |
| **Total liabilities** | **2,455** | **1,204** | **380** | **665** | **180** | **991** | **692** | **6,567** |
| **Net assets** | **707** | **400** | **449** | **709** | **283** | **347** | **(274)** | **2,621** |
| **Acquisitions of property, plant & equipment and intangible assets, net of disposals** | **(63)** | **(42)** | **(32)** | **(27)** | **(21)** | **(10)** | **11** | **(184)** |

## 17.2 – SALES BY GEOGRAPHICAL AREA

| | France | Rest of Europe | North America | Rest of the World | Total Group |
|---|---|---|---|---|---|
| 2019 | | | | | |
| Roads | 5,901 | 1,916 | 3,557 | 879 | 12,253 |
| Railways & Other Activities | 660 | 569 | 7 | 161 | 1,397 |
| Holding company | 35 | | | 3 | 38 |
| **Total** | **6,596** | **2,485** | **3,564** | **1,043** | **13,688** |
| 2020 | | | | | |
| Roads | 5,049 | 1,822 | 3,431 | 771 | 11,073 |
| Railways & Other Activities | 489 | 597 | 4 | 119 | 1,209 |
| Holding company | 13 | | | 2 | 15 |
| **Total** | **5,551** | **2,419** | **3,435** | **892** | **12,297** |

### 17.3 – OTHER INDICATORS

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Current operating profit/(loss) | 254 | 433 |
| Interest expense on lease obligations | (15) | (15) |
| Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets | 442 | 462 |
| Net charges to provisions & impairment losses | 237 | 151 |
| Reversals of impairment losses and of unused provisions & other items | (89) | (99) |
| **EBITDA after Leases** | **829** | **932** |

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 641 | 780 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (184) | (321) |
| Repayment of current and non-current lease obligations (III) | (99) | (88) |
| **Free cash flow (I)+(II)+(III)** | **358** | **371** |

## NOTE 18 – FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts for each type of financial instrument used, split by final maturity (for interest rate hedges) and by currency (for currency hedges).

All open derivative positions were contracted for hedging purposes.

### HEDGES OF INTEREST RATE RISK

| Interest rate swaps | Maturity | | | Total 12/31/2020 | Total 12/31/2019 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 5 years | More than 5 years | | |
| On financial assets | - | - | - | - | - |
| On financial liabilities | 6 | 23 | 21 | 50 | 134 |

| Interest rate options | Maturity | | | Total 12/31/2020 | Total 12/31/2019 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 5 years | More than 5 years | | |
| On financial assets | - | - | - | - | - |
| On financial liabilities | - | - | - | - | 45 |

To ensure that the City of Portsmouth (UK) can pay a fixed monthly fee under the 25-year urban road network upgrade and maintenance contract, Colas contracted an interest rate swap maturing in January 2028.

This swap (receive floating-rate, pay fixed-rate) has a nominal amount perfectly aligned on the drawdown and repayment profile of the non-recourse loan financing the contract, such that the fixed cost of the loan is matched with the monthly fee received. As of December 31, 2020, the swap had a notional amount of €39.6 million (£35.6 million).

### HEDGES OF FOREIGN EXCHANGE RISK

| | Equivalent value in € million | | | | 12/31/2020 | 12/31/2019 |
|---|---|---|---|---|---|---|
| | HUF | GBP | USD | Other | | |
| Forward purchases | 78 | | 49 | 41 | 168 | 270 |
| Forward sales | | 28 | 12 | 26 | 66 | 112 |

### HEDGES OF COMMODITIES RISK

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Forward purchases | 2 | 1 |
| Forward sales | 0 | 0 |

### OTHER HEDGES

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Cross-currency swap | 18 | 0 |

A cross-currency swap was contracted in 2020 to hedge foreign exchange and interest rate risk on the debt carried in the books of Colvias Chile.

### MARKET VALUE OF HEDGING INSTRUMENTS

The hedging portfolio was valued by an independent valuer using standard market practice.

As of December 31, 2020, the hedging instruments portfolio had a negative market value (net present value) of €17 million, including accrued interest. This mainly reflects the net present value of interest rate swaps that partially hedge the Group's debt, and comprises €13 million for fair value hedges and €4 million for cash flow hedges. The market value of other instruments (hedges of a net investment in a foreign operation, or not part of a hedging relationship) was immaterial at the end of the reporting period.

The negative market value of the interest rate swap contracted for the City of Portsmouth contract (€10 million, including accrued interest) is entirely offset by the €10m positive market value of the derivative embedded in the fixed contractual fee paid by the customer.

Consequently, after taking account of the derivative embedded in the fixed contractual fee paid by the City of Portsmouth, the financial instruments portfolio has a negative market value of €7 million (including accrued interest), presented in the balance sheet as follows:

| | 2020 | 2019 |
|---|---|---|
| Financial instruments – Hedging of debt | 10 | 11 |
| Other current financial assets | | 1 |
| **Total financial instruments recognized as assets (a)** | **10** | **12** |
| Financial instruments – Hedging of debt | (11) | (12) |
| Other current financial liabilities | (6) | (2) |
| **Total financial instruments recognized as liabilities (b)** | **(17)** | **(14)** |
| **Net value of financial instruments (a)-(b)** | **(7)** | **(2)** |

In the event of a +1% movement in the yield curve, the negative market value of the financial instruments portfolio (including accrued interest) would reduce from €16 million to €14 million; in the event of a -1% movement, it would increase to €19 million.

In the event of a uniform 1% adverse movement in the exchange rate of the euro against all the other currencies, the financial instruments portfolio would still have a negative market value of €16 million (including accrued interest).

In the event of a uniform 1% adverse movement in commodity prices, the financial instruments portfolio would still have a negative market value of €16 million (including accrued interest).

## NOTE 19 – OFF BALANCE SHEET COMMITMENTS

This note supplements the disclosures provided in Notes 3, 4 and 8.

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

### GUARANTEE COMMITMENTS AND OTHER CONTRACTUAL COMMITMENTS

| Maturity | Less than 1 year | 1 to 5 years | More than 5 years | Total 12/31/2020 | Total 12/31/2019 |
|---|---|---|---|---|---|
| **Commitments given** | | | | | |
| Guarantees and endorsements | 132 | 94 | 2 | 228 | 224 |
| Miscellaneous contractual commitments (1) (2) | 47 | 93 | 89 | 229 | 185 |
| **Commitments received** | | | | | |
| Contractual obligations | - | - | - | - | - |
| **Collateral given** | | | | | |
| Mortgages and pledges | 9 | 44 | 14 | 67 | 74 |

*(1) In 2020, Colas subsidiary Continental Bitumen Ltd. ordered the construction of two bitumen tanker ships. The investment commitment carried by its subsidiaries as of December 31, 2020 was of approximately $67 million (€55 million) excluding ancillary costs.*
*(2) As of December 31, 2020, committed orders placed for plant and equipment amounted to €25 million (versus €17 million as of December 31, 2019).*

## NOTE 20 – EMPLOYEE BENEFIT OBLIGATIONS

### 20.1 – AVERAGE HEADCOUNT

The Group had an average headcount of 59,397 in 2020, compared with 59,853 in 2019.

### 20.2 – EMPLOYEE BENEFIT OBLIGATIONS

| | 12/31/2019 | Movements during 2020 | 12/31/2020 |
|---|---|---|---|
| Lump-sum retirement benefits | 220 | | 220 |
| Long service awards and other benefits | 85 | 1 | 86 |
| Other post-employment benefits (pensions, including plan assets) | 76 | 38 | 114 |
| **Total** | **381** | **39** | **420** |

### 20.3 – EMPLOYEE BENEFIT OBLIGATIONS AND POST-EMPLOYMENT BENEFIT OBLIGATIONS

#### 20.3.1 - Defined-contribution plans

| | 2020 | 2019 |
|---|---|---|
| Amount recognized as an expense | 823 | 859 |

Defined-contribution plan expense consists of contributions to:
- health insurance funds;
- pension funds (compulsory and supplementary schemes);
- unemployment insurance funds.

### 20.3.2 - Defined-benefit plans

| | Lump-sum retirement benefits | | Pensions | |
|---|---|---|---|---|
| | **12/31/2020** | **12/31/2019** | **12/31/2020** | **12/31/2019** |
| Present value of obligation | 220 | 220 | 674 | 649 |
| Fair value of plan assets (dedicated funds) | | | (562) | (573) |
| Asset ceiling | | | 2 | |
| **Net liability recognized** | **220** | **220** | **114** | **76** |
| of which: deficit recognized as a provision | | | 125 | 91 |
| of which: overfunded plans recognized as an asset | | | (11) | (15) |
| Ratio of plan assets to present value of obligation | | | 83% | 88% |

The fair value of plan assets by investment category is as follows:

| | 12/31/2020 | | 12/31/2019 | |
|---|---|---|---|---|
| | **€ million** | **%** | **€ million** | **%** |
| Equity instruments | 210 | 37% | 212 | 37% |
| Debt instruments | 208 | 37% | 212 | 37% |
| Property | 69 | 12% | 59 | 10% |
| Investment funds | 49 | 9% | 58 | 10% |
| Cash | 10 | 2% | 14 | 3% |
| Other | 16 | 3% | 18 | 3% |
| **Total** | **562** | **100%** | **573** | **100%** |

| | Lump-sum retirement benefits | | Pensions | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Start of period (January 1)** | **220** | **198** | **76** | **53** |
| Current and past service cost | (8) | 3 | 4 | 3 |
| Net interest cost | 1 | 3 | 1 | 1 |
| **Total expense recognized** | **(7)** | **6** | **5** | **4** |
| Translation adjustments | (1) | | (4) | 3 |
| Changes in scope of consolidation | | | | |
| Actuarial gains and losses recognized in equity (1) | 9 | 15 | 42 | 21 |
| Transfers between accounts & other | (1) | 1 | (5) | (5) |
| **End of period (December 31)** | **220** | **220** | **114** | **76** |

*(1) Corresponds to the €51 million of total actuarial losses on post-employment benefits reported in the statement of recognized income and expense. Of the €42 million actuarial losses on pensions in 2020, €39 million relate to provisions and €3 million to assets recognized on overfunded plans.*

Actuarial gains and losses recognized in equity break down as follows:

| | Lump-sum retirement benefits | | Pensions | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Effect of changes in demographic assumptions | | (13) | (8) | (2) |
| Effect of changes in financial assumptions | 9 | 28 | 63 | 51 |
| Effect of experience adjustments | | | 3 | 9 |
| Return on plan assets (excluding financial income) | | | (18) | (37) |
| Effect of asset ceiling | | | 2 | |
| **Total** | **9** | **15** | **42** | **21** |

The amount of contributions to be paid to pension funds in 2021 is estimated at €22 million.

### 20.3.3 - Main actuarial assumptions used for lump-sum retirement benefits, pensions and long service awards

| | 2020 | 2019 |
|---|---|---|
| Discount rate for lump-sum retirement benefits and long service awards: IBoxx € Corporate A10 | 0.6019% | 0.9221% |
| Discount rate for pensions: | 0.15% to 2.60% | 0.20% to 3.10% |
| Lump-sum retirement benefits and long service awards: salary inflation rate (1) | 2.00% | 2.00% |
| Pensions: salary inflation rate (1) | 0.50% to 4.00% | 0.50% to 4.00% |
| Life table - women | INSEE 2012-2014 Women | INSEE 2012-2014 Women |
| Life table - men | INSEE 2012-2014 Men | INSEE 2012-2014 Men |
| Age on retirement: managerial grades | 65 | 65 |
| Age on retirement: technical, supervisory & clerical staff, and site workers | 63 | 63 |

*(1) Includes the general inflation rate.*

The sensitivity of provisions for lump-sum retirement benefits and pensions to changes in discount rates is presented below:

| **Lump-sum retirement benefits (France)** | **Impact of a 50 bp movement** | |
|---|---|---|
| | **decrease** (€m) | **increase** (€m) |
| 12/31/2019 | +15 | (14) |
| **12/31/2020** | **+16** | **(15)** |

| **Pensions (Other countries)** | **Impact of a 20 bp movement** | |
|---|---|---|
| | **decrease** (€m) | **increase** (€m) |
| 12/31/2019 | +20 | (19) |
| **12/31/2020** | **+20** | **(19)** |

Any such impacts would be recognized in the statement of recognized income and expense.

### 20.3.4 - Share-based payment

In 2020, options to subscribe for new Bouygues shares were awarded by Bouygues to certain employees of Colas and its subsidiaries. The amount of the resulting employee benefit is immaterial.

## NOTE 21 – DISCLOSURES ON RELATED PARTIES AND REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

### IDENTITY OF RELATED PARTIES

Parties with an ownership interest: Bouygues and its subsidiaries, equity investees and associates.

Joint ventures and joint operations: Carrières Roy, and various immaterial joint ventures.

Associates: Tipco Asphalt, Mak Mecsek and various immaterial associates.

Other related parties: Colas Foundation, and various non-consolidated companies.

### ANALYSIS OF TRANSACTIONS WITH RELATED PARTIES

| | Expenses | | Income | | Receivables | | Payables | |
|---|---|---|---|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
| Parties with an ownership interest | 74 | 67 | 46 | 66 | 53 | 58 | 200 | 340 |
| Joint ventures and joint operations | 52 | 54 | 138 | 116 | 96 | 84 | 35 | 54 |
| Associates | | | 22 | 14 | 1 | 3 | 9 | 9 |
| Other related parties | 72 | 39 | 49 | 66 | 21 | 17 | 11 | 7 |
| **Total** | **198** | **160** | **255** | **262** | **171** | **162** | **255** | **410** |
| Due within less than 1 year | | | | | | | 255 | 410 |
| Due within 1 to 5 years | | | | | | | - | - |
| Due after more than 5 years | | | | | | | - | - |

### REMUNERATION AND BENEFITS AWARDED TO SENIOR EXECUTIVES

The senior executives covered by this disclosure are the members of the Strategic Committee, which has replaced the Executive Steering Committee.

In 2020, the Strategic Committee had five members: the Chief Executive Officer, and four salaried executives.

**Direct remuneration**

The total amount of direct remuneration paid to the Strategic Committee in 2020 was €5 million (versus €8.9 million in 2019 for the Executive Steering Committee).

**Post-employment benefits**

Chief Executive Officer: top-up pension scheme capped at 0.92% of reference salary for each year's scheme membership, and capped at eight times the annual social security ceiling. Entitlement to this scheme is contingent on performance obligations (at the level of the Bouygues and Colas Groups). Management of the scheme is contracted out to an insurance company.

Other senior executives: employer contributions into a top-up defined-contribution pension scheme (4% of the executive's remuneration).

**Share-based payment**

The benefit arising from awards of Bouygues shares to senior executives in 2020 is immaterial.

**Directors' remuneration (formerly known as "Directors' fees")**

The gross amount of remuneration paid to directors by Colas Group companies during 2020 in respect of the 2019 financial year was €199,200 (versus €217,119 in 2019).

## NOTE 22 – ADDITIONAL CASH FLOW STATEMENT INFORMATION

### 22.1 – DETERMINATION OF CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES

Changes in working capital requirements include movements in current provisions recognized in the balance sheet.

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Assets | | |
| Inventories | 45 | 20 |
| Advances and down-payments made on orders | 28 | (3) |
| Trade receivables/Customer contract assets | 335 | (153) |
| Other current receivables and current financial assets | 44 | (32) |
| **Sub-total: Assets (1)** | **452** | **(168)** |
| **Liabilities** | | |
| Trade payables/Customer contract liabilities | (224) | (1) |
| Current provisions | 84 | 51 |
| Other current liabilities and current financial liabilities | 1 | 88 |
| **Sub-total: Liabilities (2)** | **(139)** | **138** |
| **Changes in working capital requirements related to operating activities** | **313** | **(30)** |

*(1) (Increase)/Decrease in working capital requirements related to operating activities*
*(2) Increase/(Decrease) in working capital requirements related to operating activities*

### 22.2 – NET CASH FLOWS RESULTING FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES OR OPERATIONS

The principal acquisitions in 2020 related to the operations of Granite Contracting (United States) and Silnice Žáček (Czech Republic).

The principal acquisitions in 2019 related to Skanska (Poland) and Asfalcura (Chile), and the principal divestment in 2019 was Smac (France).

| | 12/31/2020 | 12/31/2019 |
|---|---|---|
| Non-current assets | (38) | (61) |
| Current assets | (7) | (15) |
| Non-current liabilities | 1 | 3 |
| Current liabilities | 6 | 16 |
| Cash | | 24 |
| **Net acquisition/divestment cost** | **(38)** | **(33)** |
| Cash of acquired or divested companies/operations | 1 | (7) |
| Net liabilities related to acquisition of shares | | (2) |
| **Net cash inflow/(outflow) from acquisitions and divestments of subsidiaries** | **(37)** | **(42)** |

## NOTE 23 – AUDITORS' FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of the Colas Group (parent company and subsidiaries).

| | Mazars | | PwC | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **A – Audit** | | | | |
| Colas SA | 0.3 | 0.3 | 0.2 | 0.2 |
| Subsidiaries | 4.0 | 4.2 | 2.8 | 2.2 |
| **Sub-total** | **4.3** | **4.5** | **3.0** | **2.4** |
| **B – Non-audit services** [1] | | | **0.3** | **0.4** |
| **Total** | **4.3** | **4.5** | **3.3** | **2.8** |

*(1) Non-audit services: In 2020 and 2019 (PwC): tax engagements for various international subsidiaries.*

## NOTE 24 – LIST OF PRINCIPAL CONSOLIDATED COMPANIES

Unless indicated as being accounted for by the equity method, all the companies listed are consolidated as subsidiaries.

| Company | Registered office | % interest 2020 | % interest 2019 |
|---|---|---|---|
| **France** | | | |
| **Mainland France** | | | |
| Colas Centre-Ouest [1] | Nantes | 100.0 | 100.0 |
| Colas Ile-de-France-Normandie | Magny-les-Hameaux | 100.0 | 100.0 |
| Colas Nord-Est | Nancy | 100.0 | 100.0 |
| Colas Rhône-Alpes-Auvergne | Lyon | 100.0 | 100.0 |
| Colas Midi-Méditerranée | Aix-en-Provence | 100.0 | 100.0 |
| Colas Sud-Ouest | Merignac | 100.0 | 100.0 |
| Aximum | Magny-les-Hameaux | 100.0 | 100.0 |
| Spac | Nanterre | 100.0 | 100.0 |
| Colas Rail | Courbevoie | 100.0 | 100.0 |
| Société de la Raffinerie de Dunkerque | Dunkerque | 100.0 | 100.0 |
| Colas Digital Solutions | Vélizy-Villacoublay | 100.0 | 100.0 |
| **French overseas departments** | | | |
| GTOI | Le Port – Reunion Island | 100.0 | 100.0 |
| SCPR | Le Port – Reunion Island | 100.0 | 100.0 |
| Colas Mayotte | Mamoudzou – Mayotte | 100.0 | 100.0 |
| Colas Martinique | Le Lamentin – Martinique | 100.0 | 100.0 |
| Sogetra | Les Abymes – Guadeloupe | 100.0 | 100.0 |
| Ribal Travaux Publics | Cayenne – French Guiana | 100.0 | 100.0 |
| **French overseas territories** | | | |
| Société Colas de Nouvelle-Calédonie | Noumea – New Caledonia | 100.0 | 100.0 |
| **Europe (excluding France)** | | | |
| Colas Belgium | Brussels – Belgium | 100.0 | 100.0 |
| Colas Danmark A/S | Glostrup – Denmark | 100.0 | 100.0 |
| Colas Ltd. | Rowfant, Crawley – United Kingdom | 100.0 | 100.0 |
| Colas Hungaria | Budapest – Hungary | 100.0 | 100.0 |
| Colas Polska | Sroda Wielkopolska – Poland | 100.0 | 100.0 |
| Colas CZ | Prague – Czech Republic | 99.1 | 99.1 |
| Colas Slovakia | Kosice – Slovakia | 100.0 | 100.0 |
| Colas Teoranta | Maynooth – Irish Republic | 100.0 | 100.0 |
| Colas Suisse Holding SA | Lausanne – Switzerland | 99.2 | 99.2 |
| Mak mecsek zrt (equity method) | Budapest – Hungary | 30.0 | 30.0 |

| Company | Registered office | % interest | |
|---|---|---|---|
| | | 2020 | 2019 |
| **North America** | | | |
| Colas Canada Inc. | Toronto, Ontario – Canada | 100.0 | 100.0 |
| Colas Inc. | Morristown, New Jersey – United States | 100.0 | 100.0 |
| **Africa – Indian Ocean** | | | |
| Colas Gabon | Libreville – Gabon | 89.9 | 89.9 |
| Colas Madagascar | Antananarivo – Madagascar | 100.0 | 100.0 |
| Colas Africa | Cotonou – Benin | 100.0 | 100.0 |
| Transinvest Construction Ltd. | Petite Rivière – Mauritius | 100.0 | 100.0 |
| Gamma Materials (equity method) | Beau Bassin – Mauritius | 50.0 | 50.0 |
| Colas du Maroc | Casablanca – Morocco | 100.0 | 100.0 |
| Grands Travaux Routiers | Rabat – Morocco | 67.9 | 67.9 |
| Colas South Africa | Cape Town – South Africa | 100.0 | 100.0 |
| **Asia** | | | |
| Tipco Asphalt (equity method) | Bangkok – Thailand | 31.1 | 31.2 |
| Hincol (equity method) | Mumbai – India | 30.0 | 30.0 |
| Colas Australia Group | Sydney – Australia | 100.0 | 100.0 |

*(1) Colas Centre-Ouest changed its corporate name to Colas France with effect from January 1, 2021.*

A full list of companies included in the consolidation is available from Olivier Grevoz.

E-mail: olivier.grevoz@colas.com

## NOTE 25 – PRINCIPAL EXCHANGE RATES USED FOR TRANSLATION PURPOSES

Convention: 1 euro = x local currency units

| Europe | Currency unit | Exchange rate 12/31/2020 | Average exchange rate 2020 | Exchange rate 12/31/2019 | Average exchange rate 2019 |
|---|---|---|---|---|---|
| **Europe** | | | | | |
| Croatia | Croatian kuna | 7.5519 | 7.5384 | 7.4395 | 7.4181 |
| Denmark | Danish krone | 7.4409 | 7.4543 | 7.4715 | 7.4661 |
| United Kingdom | Pound sterling | 0.8990 | 0.8895 | 0.8508 | 0.8777 |
| Hungary | Forint | 363.89 | 351.2180 | 330.53 | 325.2991 |
| Poland | Zloty | 4.5597 | 4.4422 | 4.2568 | 4.2973 |
| Czech Republic | Czech koruna | 26.2420 | 26.4523 | 25.408 | 25.6697 |
| Switzerland | Swiss franc | 1.0802 | 1.0705 | 1.0854 | 1.1125 |
| **North America** | | | | | |
| United States | US dollar | 1.2271 | 1.1422 | 1.1234 | 1.1195 |
| Canada | Canadian dollar | 1.5633 | 1.5297 | 1.4598 | 1.4854 |
| **Other** | | | | | |
| Australia | Australian dollar | 1.5896 | 1.6551 | 1.5995 | 1.6108 |
| Morocco | Dirham | 10.8848 | 10.8274 | 10.7279 | 10.7657 |
| Thailand | Baht | 36.7270 | 35.7049 | 33.415 | 34.7566 |

# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

# Statutory Auditors' report

## on the consolidated financial statements

### (YEAR ENDED DECEMBER 31, 2020)

To the Annual General Meeting of the shareholders of Colas SA,

## OPINION

In accordance with the assignment entrusted to us by your Annual General Meeting, we have conducted our audit of the accompanying consolidated financial statements of Colas SA for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

## BASIS FOR OUR OPINION

### Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are described in the section "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" below.

### Independence

We conducted our audit engagement in compliance with the rules on independence contained in the Commercial Code and in the code of ethics of the auditing profession during the period from January 1, 2020 to the date of issuance of this report. Specifically, we provided no services prohibited by Article 5, Paragraph 1 of Regulation (EU) No. 537/2014.

## JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

The global crisis caused by the Covid-19 pandemic created challenging conditions for the preparation and audit of this year's financial statements. The crisis – and the unprecedented public health measures taken in response – had multiple consequences for businesses, especially on their operations and finances, and also created increased uncertainty about their future prospects. Some of those measures, such as travel restrictions and teleworking, also had an impact on internal organization within companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, in accordance with Articles L. 823-9 and R. 823-7 of the Commercial Code regarding the justification of our assessments, we draw your attention to key audit matters that relate to those risks of material misstatement that in our professional judgement were of the most significance in the audit of the consolidated financial statements for the year, and our response to those risks.

Our assessments should be seen in the context of the audit of the consolidated financial statements taken as a whole, and of the formation of our opinion as expressed above. We do not express an opinion on elements of the consolidated financial statements taken in isolation.

### Construction contracts (notes 2.13.1, 4.2, 11.2 and 12)

#### Identified risks

The Colas Group is active in the construction and maintenance of transport infrastructure, with 80% (€9,823 million) of its 2020 revenue generated by contracts accounted for using the percentage of completion method. Such revenue corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer or are regarded as highly probable. It is recognized on the basis of the cost of works completed. An expected loss to completion is recognized in full as soon as it is known and can be reliably measured. The recognition of revenue and margins on construction contracts is largely dependent on judgements and estimates made by management in preparing budgets to completion.

Consequently we considered accounting for construction contracts to be a key audit matter, given that the recognition of revenue and margins on construction contracts is sensitive to management judgements and estimates, and consequently may have a material impact on the financial statements.

#### Audit procedures implemented to address the identified risks

Our principal procedures are summarized below:

— obtaining an understanding of the control environment, procedures, and any dedicated IT systems used by the most material subsidiaries to support the formation of construction contract revenue and monitor the corresponding expenditure;

- evaluating and testing the design and implementation of what we judged to be the key manual and IT controls used in the Group's most material subsidiaries;
- for a selection of construction projects judged to be the most important based on their contribution to consolidated revenue and profit for the year or on their inherent operational risks (complexity, use of subcontractors, etc.):
  - cross-checking project revenue to completion against contractual data (initial contract, contract amendments, supplementary work requests, etc.),
  - assessing whether the margin applied was consistent with the estimated costs of completion, contract execution impacts, the extent of risk coverage and the level of contingencies built into the budget;
- assessing the compliance of construction cost accounting (in particular the treatment of claims and provisions for losses to completion) with IFRS as endorsed by the European Union.

### Non-current provisions for litigation and claims

(notes 2.11.3 and 6.1)

#### Identified risks and key areas of judgement

A presentation of the nature of provisions for litigation and claims, included within non-current provisions in the consolidated balance sheet at an amount of €193 million, is provided in Note 6.1 to the consolidated financial statements. The principal items covered by the provision are disputes with social security bodies in France, and miscellaneous customer claims. As indicated in Note 2.11.3, the amount recognized within non-current provisions is the Group's best estimate of the net outflow of resources. We identified this as a key audit matter, insofar as the amount of provisions for litigation and claims is sensitive to the assumptions and estimates used by the Group and hence can have a material impact on the financial statements.

#### Audit procedures implemented to address the identified risks

Our principal procedures are summarized below:

- examining the accounting policies and methods used, to ensure that they are compliant and consistently applied;
- gaining an understanding of the process used by the Group's senior financial and legal personnel to identify and monitor litigation and claims;
- evaluating and testing, as we saw fit, the design and implementation of the key manual and IT controls used in the Group's most material subsidiaries, with a view to testing those procedures;
- for a selection of complex risks that were judged to be material, examining the soundness and underlying assumptions of the measurement of the risk and the amount of the year-end provision, including inter alia:
  - interviews with the Group's Legal Affairs department,
  - examination of documentation relating to the litigation or claim and correspondence with third parties, against which we tested management estimates,
  - examination of any relevant legal letters and written opinions from the Group's external counsel,
  - speaking directly to the Group's lawyers to confirm our understanding of material ongoing litigation and the level of claims, so as to assess the appropriateness of the size of the provisions,
  - checking the disclosures in the notes to the consolidated financial statements about the estimates for non-current provisions, and about the principal claims and litigation involving the Group.

## SPECIFIC VERIFICATIONS

As required by law and regulations we also carried out, in accordance with professional standards applicable in France, the specific verifications relating to information about the Group presented in the Board of Directors' management report.

We have no matters to report as to the fair presentation of that information or its consistency with the consolidated financial statements.

We hereby attest that the consolidated non-financial performance statement required pursuant to Article L. 225-102-1 of the Commercial Code is included in the management report, with the caveat that in accordance with Article L. 823-10 of that Code, we have not verified the fair presentation or consistency with the consolidated financial statements of the information contained in the non-financial performance statement, which must be subject to a report by an independent third party.

## OTHER VERIFICATIONS OR INFORMATION REQUIRED UNDER LEGAL OR REGULATORY OBLIGATIONS

### Presentation format for consolidated financial statements intended for inclusion in the annual financial report

In accordance with point III of Article 222-3 of the AMF General Regulation, your company's management has informed us of their decision to defer first-time application of the single electronic reporting format as defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 until accounting periods commencing on or after 1 January 2021. Consequently, the present report does not include a conclusion on compliance with that format in the presentation of the consolidated financial statements intended for inclusion in the annual financial report mentioned in Article L. 451-1-2 I of the Monetary and Financial Code.

### Appointment as statutory auditors

We were appointed as statutory auditors of Colas SA by your Annual General Meetings of April 25, 2001 (Mazars) and of April 17, 2019 (PricewaterhouseCoopers Audit).

As of December 31, 2020, Mazars was in its twentieth uninterrupted year as statutory auditor, and PricewaterhouseCoopers Audit in its second year.

## RESPONSIBILITIES OF MANAGEMENT, AND OF THOSE CHARGED WITH GOVERNANCE, FOR THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as endorsed by the European Union, and to implement such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern; to disclose in those financial statements any matters relating to going concern; and to apply the going concern basis of accounting unless it is intended to liquidate the company or cease trading.

It is the responsibility of the Audit Committee to oversee the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and of internal audit, as regards procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been closed off by the Board of Directors.

## STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Objective and audit approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the Commercial Code, our audit does not involve guaranteeing the viability of the company or the quality of how it is managed.

As part of an audit in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit.

In addition, the statutory auditor:

— identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for the statutory auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

— obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;

— evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

— concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Those conclusions are based on the audit evidence obtained up to the date of the statutory auditor's report, with the caveat that future events or conditions may cause a company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, the statutory auditor is required to draw attention in the statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer;

— evaluates the overall presentation of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of them;

— obtains what the statutory auditor considers sufficient appropriate audit evidence regarding the financial information of entities included in the scope of consolidation to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements, and for the opinion expressed on those financial statements.

## Report to the Audit Committee

We submit a report to the Audit Committee that describes inter alia the scope of our audit, the work program followed, and our findings. We also inform the Audit Committee of any significant deficiencies in internal control we identified as regards the procedures used for the preparation and processing of accounting and financial information.

The information contained in our report to the Audit Committee includes those risks of material misstatement that we determined were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters that we are required to describe in the present report.

We also provide the Audit Committee with written confirmation (as required under Article 6 of Regulation (EU) No. 537-2014) of our independence, within the meaning of the rules applicable in France and contained inter alia in Articles L. 822-10 to L.822-14 of the Commercial Code and in the code of ethics of the French auditing profession. Where applicable, we also communicate with the Audit Committee about risks to our independence, and related safeguards.

The Statutory Auditors

Neuilly-sur-Seine and Paris La Défense, February 16, 2021

| PricewaterhouseCoopers Audit | | Mazars | |
|---|---|---|---|
| Edouard Sattler | Amélie Jeudi de Grissac | Gilles Rainaut | Daniel Escudeiro |

# COLAS FINANCIAL STATEMENTS

## AS OF DECEMBER 31, 2020

# BALANCE SHEET AS OF DECEMBER 31

| (€ million) | Note | | |
|---|---|---|---|
| Intangible assets | | 18.0 | 18.0 |
| Property, plant and equipment | | 141.4 | 165.3 |
| Holdings in subsidiaries and affiliates | | 1,822.5 | 1,779.2 |
| Loans and advances to subsidiaries and affiliates | | 142.3 | 231.9 |
| Other long-term investments | | 3.7 | 5.8 |
| **Non-current assets** | 3 | **2,127.9** | **2,200.2** |
| Inventories | | 1.5 | 1.4 |
| Trade receivables | | 47.3 | 64.4 |
| Group and associates | | 337.1 | 291.6 |
| Other receivables and prepaid expenses | | 58.1 | 66.0 |
| Cash and cash equivalents | | 6.0 | 9.3 |
| **Current assets** | 4 | **450.0** | **432.7** |
| **Total assets** | | **2,577.9** | **2,632.9** |
| Share capital | | 49.0 | 49.0 |
| Share premium and reserves | | 1,245.7 | 1,244.4 |
| Net profit/(loss) for the period | | 210.6 | 210.2 |
| Restricted provisions booked solely for tax purposes | | 10.7 | 11.1 |
| **Shareholders' equity** | 6 | **1,516.0** | **1,514.7** |
| Provisions for risks and charges | 7 | 94.4 | 71.4 |
| Debt | | - | - |
| Advances and down-payments received on orders | | - | - |
| Trade creditors | | 31.9 | 40.2 |
| Group and associates | | 663.3 | 605.2 |
| Other non-financial liabilities and accrual accounting adjustments | 9 | 74.8 | 61.6 |
| Overdrafts and short-term bank borrowings | | 197.5 | 339.8 |
| **Payables** | 8 | **967.5** | **1,046.8** |
| **Total shareholders' equity and liabilities** | | **2,577.9** | **2,632.9** |

# INCOME STATEMENT FOR THE YEAR

| (€ million) | Note | 2020 | 2019 |
|---|---|---|---|
| Sales | 10 | 229.9 | 321.3 |
| Purchases used in production | | (21.5) | (80.9) |
| External charges | | (122.0) | (134.9) |
| Personnel costs | | (86.0) | (78.8) |
| Taxes other than income tax | | (8.0) | (8.3) |
| Net depreciation & amortization expense | | (11.9) | (11.8) |
| Net charges to provisions & impairment losses | | (8.7) | (5.6) |
| Other income from operations | | 56.2 | 54.2 |
| Other expenses on operations | | (0.9) | (2.7) |
| Profits/(losses) from shared operations | | 0.1 | 0.2 |
| **Operating profit** | | **27.2** | **52.7** |
| Financial income | | 222.5 | 225.9 |
| Financial expenses | | (46.2) | (63.9) |
| **Net financial income/expense** | 11 | **176.3** | **162.0** |
| **Current profit** | | **203.5** | **214.7** |
| Exceptional income | | 37.9 | 32.0 |
| Exceptional expenses | | (19.4) | (21.6) |
| **Exceptional items** | 12 | **18.5** | **10.4** |
| Employee profit-sharing | | (0.9) | (0.9) |
| Income tax expense | 13 | (10.5) | (14.0) |
| **Net profit for the year** | | **210.6** | **210.2** |

# NOTES TO THE COLAS ANNUAL FINANCIAL STATEMENTS

## Notes



*Figures are expressed in millions of euros (€m) unless otherwise indicated.*

## NOTE 1 – GENERAL INFORMATION ABOUT THE COMPANY

### INFORMATION ABOUT THE COMPANY AND KEY FEATURES OF THE YEAR

Colas is a *société anonyme* (a form of public limited company) registered in France.

On February 16, 2021, the Board of Directors closed off the accounts and authorized publication of the Colas financial statements for the year ended December 31, 2020.

### SIGNIFICANT EVENTS OF 2020

**Consequences of the Covid-19 pandemic**

Neither the Covid-19 pandemic nor the government measures announced in response or the resulting economic crisis had a material impact on the activities of Colas SA.

The decrease in sales reflects the transfer of the Bitumen business to Continental Bitumen France at the end of the first half.

## NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

### BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The annual financial statements of Colas SA have been prepared in accordance with the current provisions of French law.

### FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are recognized at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are recognized at the exchange rate prevailing at the end of the reporting period.

### INTANGIBLE ASSETS

Intangible assets mainly comprise patents and trademarks.

They are recognized at acquisition cost.

Start-up costs and research costs are expensed as incurred.

Development expenses are capitalized.

Trading goodwill and leasehold rights are not amortized, but are written down through an impairment allowance where required by economic circumstances.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at acquisition cost net of accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset, or of the components of the asset if they have different useful lives. Land is not depreciated.

| | |
|---|---|
| Non-operating buildings | 20 to 40 years |
| Industrial buildings | 10 to 20 years |
| Plant, equipment and tooling | 5 to 10 years |
| Other property, plant and equipment (vehicles and office equipment) | 3 to 10 years |

Colas SA applies ANC regulation 2015-06 in accounting for negative merger premium.

### LONG-TERM INVESTMENTS

Equity holdings are carried in the balance sheet at cost, less any impairment allowances judged necessary in light of their value in use.

Acquisition-related costs have been capitalized since 2006.

Other long-term investments are carried at face value, net of any impairment allowances.

### INVENTORIES

Inventories are measured at the lower of cost or net realizable value.

Cost includes all acquisition and transformation costs.

Acquisition cost includes the purchase price, customs duties and other non-recoverable taxes and duties, and transport and handling costs incurred to bring inventories to their current location.

On subsequent measurement, cost is calculated using the first in first out method.

Net realizable value is the estimated selling price of the product less the estimated costs to complete and sell it.

### TRADE AND OTHER RECEIVABLES

Trade receivables, which generally have payment terms of between 30 and 90 days, are recognized at their initial value less any impairment allowances judged necessary in the event of a risk of non-recovery.

### ACCRUAL ACCOUNTING ADJUSTMENTS

These include prepaid expenses, and deferred taxes recoverable in future periods.

### OWN SHARES

Own shares held by Colas SA under the liquidity contract are recorded in “Long-term investments”, and are carried in the balance sheet at the lower of acquisition cost or realizable value. Realizable value is the average quoted market price for the last month of the year.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, and deposits and short-term investments with an initial maturity of less than three months.

Short-term investments are measured at acquisition cost, and written down through an impairment allowance if their market value is less than acquisition cost.

## FINANCIAL INSTRUMENTS

Colas SA uses hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates.

These instruments share the following characteristics:

- they are limited to the following products: (i) forward currency purchases and sales, currency swaps, and purchases of currency options for currency risk hedging purposes; and (ii) interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes;
- they are used solely for hedging and pre-hedging purposes;
- they are contracted solely with high-quality French and foreign banks;
- they carry no liquidity risk in the event of reversal.

The company applies ANC regulation 2015-05 on forward financial instruments and hedging.

## PROVISIONS FOR RISKS AND CHARGES

Provisions are recognized where Colas has a present obligation, whether legal or constructive, as a result of a past or ongoing event and it is probable that an outflow of cash will be required to settle the obligation.

## EMPLOYEE OBLIGATIONS

### Lump-sum retirement benefits

Colas SA records a provision for lump-sum retirement benefits. The liability recognized in the balance sheet represents the net present value of the obligation, after adjusting for actuarial gains and losses and for unrecognized past service cost. The present value of the obligation for defined-benefit plans is determined by discounting the estimated future cash outflows at an interest rate for high-quality corporate bonds that are (i) denominated in the currency in which the benefits will be paid and (ii) have a maturity close to the estimated average maturity of the retirement benefit.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are amortized using the corridor method over the average residual period during which plan members are expected to remain employed by the company; only the portion of such gains and losses that exceeds 10% of the net present value of the obligation is amortized.

### Long service awards

Colas SA has a long-standing and systematic policy of awarding long service bonuses, which are covered by a provision. The calculation method is based on individual projections and takes into account (i) employee turnover and (ii) estimated mortality, based on mortality tables.

The main actuarial assumptions used to calculate obligations in respect of lump-sum retirement benefit obligations and long service bonuses are:

| | **2020** | **2019** |
|---|---|---|
| Discount rate (iBoxx € corporate) | 0.6019% | 0.9221% |
| Life table – men | Insee 2012-2014 | Insee 2012-2014 |
| Life table – women | Insee 2012-2014 | Insee 2012-2014 |
| Age on retirement: managerial grades | 65 | 65 |
| Age on retirement: technical, supervisory & clerical staff, and site workers | 63 | 63 |
| Salary inflation rate | 2% | 2% |

### Supplementary pension plans

Obligations under defined-contribution supplementary post-employment benefit plans are covered by regular payments made by the company to independent pension fund managers and recognized in profit or loss as and when they are made.

## SALES

Sales represents the aggregate amount of sales of goods, revenue from construction contracts, and sales of services.

## GAINS AND LOSSES ON ASSET DISPOSALS

In accordance with the recommendations of the French Building & Civil Works Industry chart of accounts, gains on disposals of plant and equipment of a recurring nature are included in operating profit.

## INCOME TAXES

Deferred taxes are recognized using the balance sheet liability method on all taxable or deductible temporary differences existing at the end of the reporting period.

Taxable or deductible temporary differences include:

- all differences between (i) the tax base of assets and liabilities and (ii) their carrying amount in the balance sheet;
- tax loss carry-forwards and tax credits not yet used.

If the net deferred tax position represents an asset, that asset is not recognized in the balance sheet unless it is highly probable that it will be recovered in future periods.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, using tax rates that have been enacted or substantively enacted by the end of the reporting period.

## CONSOLIDATION

Colas SA is consolidated by the Bouygues group, the parent company of which is Bouygues SA:

- registered no. (SIRET) 572 015 246 000216;
- address of registered office: 32 Avenue Hoche, 75008 PARIS, France.

## NOTE 3 – NON-CURRENT ASSETS

| | Jan. 1, 2020 | Acquisitions and other increases | Disposals and other reductions | Charges and reversals | Dec. 31, 2020 |
|---|---|---|---|---|---|
| **Intangible assets** | | | | | |
| Gross value | 31.8 | 0.1 | (0.1) | | 31.8 |
| Amortization and impairment | (13.8) | | 0.1 | (0.1) | (13.8) |
| **Carrying amount** | **18.0** | **0.1** | | **(0.1)** | **18.0** |
| **Property, plant and equipment** | | | | | |
| Gross value | 307.8 | 5.1 | (35.3) | | 277.6 |
| Depreciation | (142.5) | | 17.4 | (11.1) | (136.2) |
| **Carrying amount** | **165.3** | **7.6** | **(17.9)** | **(11.1)** | **141.4** |
| **Holdings in subsidiaries and affiliates** | | | | | |
| Gross value | 2,001.6 | 58.5 | | | 2,060.1 |
| Impairment | (222.4) | | | (15.2) | (237.6) |
| **Carrying amount** | **1,779.2** | **58.5** | | **(15.2)** | **1,822.5** |
| **Loans and advances to subsidiaries and affiliates** | | | | | |
| Gross value | 237.7 | 705.8 | (795.4) | | 148.1 |
| Impairment | (5.8) | | | | (5.8) |
| **Carrying amount** | **231.9** | **705.8** | **(795.4)** | | **142.3** |
| **Other long-term investments** | | | | | |
| Gross value | 5.8 | 0.2 | (2.3) | | 3.7 |
| Impairment | | | | | |
| **Carrying amount** | **5.8** | **0.2** | **(2.3)** | | **3.7** |
| **Total: non-current assets** | **2,200.2** | **769.7** | **(815.6)** | **(25.4)** | **2,127.9** |

## NOTE 4 – CURRENT ASSETS

| | Gross value | Impairment | 2020 Carrying amount | 2019 Carrying amount |
|---|---|---|---|---|
| **Inventories and work in progress** | **1.7** | **(0.2)** | **1.5** | **1.4** |
| **Trade receivables** | **47.5** | **(0.2)** | **47.3** | **64.4** |
| **Group and associates** | **365.8** | **(28.7)** | **337.1** | **291.6** |
| Advances and down-payments made on orders | 0.1 | | 0.1 | 1.4 |
| Other receivables | 37.7 | | 37.7 | 44.0 |
| Prepaid expenses | - | | - | 0.7 |
| Other accrual accounting adjustments | 2.8 | | 2.8 | 1.4 |
| Deferred tax assets | 17.5 | | 17.5 | 18.5 |
| **Other receivables and accrual accounting adjustments** | **58.1** | | **58.1** | **66.0** |
| Short-term investments | 2.9 | | 2.9 | 3.0 |
| Bouygues Relais cash pooling entity | - | | - | - |
| Cash | 3.1 | | 3.1 | 6.3 |
| **Cash and cash equivalents** | **6.0** | | **6.0** | **9.3** |
| **Total: current assets** | **479.1** | **(29.1)** | **450.0** | **432.7** |

## NOTE 5 – FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts for each type of financial instrument used as at December 31, 2020, including a split by currency for currency hedges.

### HEDGES OF FOREIGN EXCHANGE RISK

| | HUF (1) | USD (1) | PLN (1) | CZK (1) | Other (1) | 12/31/2020 |
|---|---|---|---|---|---|---|
| Forward purchases | 78 | 19 | 1 | 19 | 1 | 118 |
| Forward sales | - | 10 | 12 | 10 | 4 | 36 |

*(1) Equivalent value in euros.*

### HEDGES OF INTEREST RATE RISK

| Interest rate swaps | Maturity | | | Total 12/31/2020 | Total 12/31/2019 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 5 years | More than 5 years | | |
| On financial assets | - | - | - | - | - |
| On financial liabilities | - | - | - | - | 75 |

| Interest rate options | Maturity | | | Total 12/31/2020 | Total 12/31/2019 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 5 years | More than 5 years | | |
| On financial assets | - | - | - | - | - |
| On financial liabilities | - | - | - | - | 45 |

The net value of Colas SA's financial instruments is a liability of €1 million.

## NOTE 6 – SHAREHOLDERS' EQUITY

### COMPOSITION OF THE SHARE CAPITAL

The share capital of Colas as of December 31, 2020 was €48,981,748.50.

It consists of 32,654,499 shares with a par value of €1.50, all ranking equally (although registered shares held by the same shareholder for more than two years carry double voting rights).

### OWN SHARES HELD AS OF DECEMBER 31, 2020

Colas held 20,879 of its own shares at a carrying amount of €2,934,021.66.

### MOVEMENTS DURING THE PERIOD

| | Number of shares | Share capital (in euros) |
|---|---|---|
| January 1, 2020 | 32,654,499 | 48,981,748.50 |
| Movements during 2020 | - | - |
| **December 31, 2020** | **32,654,499** | **48,981,748.50** |

### PRINCIPAL SHAREHOLDERS

| | | |
|---|---|---|
| Bouygues SA | 31,611,646 | 96.81% |
| Other shareholders | 1,042,853 | 3.19% |

### CHANGE IN SHAREHOLDERS' EQUITY

| | Jan. 1, 2020 | Appropriation by AGM (1) | Capital increase | Other movements | Dec. 31, 2020 |
|---|---|---|---|---|---|
| **Share capital** | **49.0** | | | | **49.0** |
| Share premium | 406.0 | | | | 406.0 |
| Revaluation reserve | 2.4 | | | | 2.4 |
| Legal reserve | 4.8 | | | | 4.8 |
| Non-distributable reserve | 0.7 | | | | 0.7 |
| Other reserves | 13.5 | | | | 13.5 |
| Retained earnings | 817.0 | 1.3 | | | 813.3 |
| **Share premium and reserves** | **1,244.4** | **1.3** | | | **1,245.7** |
| Net profit/(loss) for the period | 210.2 | (210.2) | | 210.6 | 210.6 |
| Restricted provisions booked solely for tax purposes | 11.1 | | | (0.4) | 10.7 |
| **Total shareholders' equity** | **1,514.7** | **(208.9)** | | **210.2** | **1,516.0** |

*(1) Distribution of a dividend of €6.40 per share, i.e. €208,988,794.*

## NOTE 7 – PROVISIONS FOR RISKS AND CHARGES

| | Jan. 1, 2020 | Increases | Provisions used | Provisions cancelled | Dec. 31, 2020 |
|---|---|---|---|---|---|
| Litigation and claims | 11.3 | 8.2 | (3.0) | | 16.5 |
| Tax inspections | | | | | |
| Foreign risks | | | | | |
| Employee benefits | 28.6 | 0.5 | (1.1) | | 28.0 |
| Risks on subsidiaries and affiliates | 30.9 | 18.0 | (1.1) | | 47.8 |
| Other provisions for risks | 0.6 | 1.5 | | | 2.1 |
| Provisions for charges | | | | | |
| **Total** | **71.4** | **28.2** | **(5.2)** | | **94.4** |

## NOTE 8 – RECEIVABLES AND LIABILITIES BY MATURITY

| | Net amounts | Less than 1 year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Non-current receivables | 146.1 | 141.1 | 2.4 | 2.6 |
| Current receivables | 450.0 | 450.0 | | |
| Cash and cash equivalents | 6.0 | 6.0 | | |
| **Receivables** | **602.1** | **597.1** | **2.4** | **2.6** |
| Debt | | | | |
| Other liabilities | 770.0 | 770.0 | | |
| Overdrafts and short-term bank borrowings | 197.5 | 197.5 | | |
| **Liabilities** | **967.5** | **967.5** | | |

## NOTE 9 – OTHER NON-FINANCIAL LIABILITIES AND ACCRUAL ACCOUNTING ADJUSTMENTS

| | 2020 | 2019 |
|---|---|---|
| Tax and employee-related liabilities | 48.4 | 44.9 |
| Amounts payable in respect of non-current assets | 2.7 | 2.9 |
| Other liabilities | 5.5 | 11.8 |
| Deferred income and other accrual accounting adjustments | 18.2 | 2.0 |
| **Total** | **74.8** | **61.6** |

## NOTE 10 – ANALYSIS OF SALES

| | France | International | 2020 | 2019 |
|---|---|---|---|---|
| Construction contracts | | | | |
| Sales of goods | 27.9 | 0.3 | 28.2 | 99.0 |
| Sales of services [1] | 118.5 | 83.2 | 201.7 | 222.3 |
| **Sales** | **146.4** | **83.5** | **229.9** | **321.3** |

*(1) Sales of services to subsidiaries and affiliates.*

## NOTE 11 – FINANCIAL INCOME AND EXPENSES

| | 2020 | 2019 |
|---|---|---|
| Income from subsidiaries and affiliates | 208.4 | 184.5 |
| Net interest income/(expense) | 3.0 | (5.2) |
| Other movements in financial provisions | (35.4) | (16.6) |
| Net proceeds from disposals of short-term investments | (0.1) | (0.1) |
| Net foreign exchange differences | 0.4 | (0.6) |
| **Net financial income/expense** | **176.3** | **162.0** |

## NOTE 12 – EXCEPTIONAL ITEMS

| | 2020 | 2019 |
|---|---|---|
| Gains/(losses) on non-recurring disposals of non-current assets (land, buildings, long-term investments) | 17.8 | 10.4 |
| Other income/(expenses) on management transactions (net) | 1.7 | 1.9 |
| Movements in exceptional provisions [1] | (1.0) | (1.9) |
| **Exceptional items, net [1]** | **18.5** | **10.4** |

*(1) Includes SRD restructuring costs: (1.0)*

## NOTE 13 – INCOME TAX EXPENSE

### ANALYSIS OF INCOME TAX EXPENSE

| | 2020 | 2019 |
|---|---|---|
| Tax payable for the current year | (4.6) | (5.9) |
| Back tax and tax reliefs from prior years | (0.3) | (1.4) |
| Deferred taxes | (5.6) | (6.7) |
| **Income tax expense** | **(10.5)** | **(14.0)** |

### SPLIT OF INCOME TAX EXPENSE BETWEEN CURRENT PROFIT AND EXCEPTIONAL ITEMS

| | Pre-tax profit | Income tax due | Net profit after tax |
|---|---|---|---|
| Current profit (after employee profit-sharing) | 202.6 | 0.2 | 202.8 |
| Exceptional items | 18.5 | (10.7) | 7.8 |
| **Total** | **221.1** | **(10.5)** | **210.6** |

### ANALYSIS OF DEFERRED TAXES

| | Temporary differences |
|---|---|
| Non-current assets | (6.0) |
| Current assets | 1.1 |
| Temporarily non-deductible provisions for risks and charges | 28.1 |
| Tax losses available for carry-forward | 23.8 |
| Total deferred tax base | 47.0 |
| Income tax rate | 32.02% |
| **Deferred taxes at end of period** | **15.1** |
| Impact of future enacted tax rates | 0.5 |
| Deferred taxes at start of period | 21.2 |
| Deferred tax (gain)/expense | (5.6) |

Colas is included in the Bouygues SA group tax election.

## NOTE 14 – IMPACT OF TAX EXEMPTIONS ON PROFIT OR LOSS

| | |
|---|---|
| Net profit for the period | 210.6 |
| Charges to restricted provisions | (0.5) |
| Reversals of restricted provisions | 1.1 |
| Impact on income taxes | |
| **Net profit before impact of tax exemptions** | **211.2** |

## NOTE 15 – OFF BALANCE SHEET COMMITMENTS

### COMMITMENTS

| | Guarantees | Letters of intent | Total |
|---|---|---|---|
| Subsidiaries and affiliates | 962.8 | 18.2 | 981.0 |
| Other related undertakings | - | | - |
| Third parties | 1.7 | 0 1 | 1.8 |
| **Commitments given** | **964.5** | **18.3** | **982.8** |
| **Commitments received** | **-** | **-** | **-** |
| Operating lease commitments | - | - | 28.4 |

During 2020, Colas SA issued guarantees in favor of the following companies: Colas Teoranta, Colas Contracting Ltd., Colas Bitumen Emulsion (West) Ltd., Colas Bitumen Emulsion (East) Ltd., Road Binders Ltd., Chemoran Ltd., Atlantic Bitumen Company Ltd., Georgevale Ltd. and Streetsweep Ltd.

### COLLATERAL PLEDGED AS SECURITY FOR LIABILITIES

None.

## NOTE 16 – HEADCOUNT AND REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

### AVERAGE HEADCOUNT

| | 2020 | 2019 |
|---|---|---|
| Managerial staff | 424 | 409 |
| Administrative, clerical, technical and supervisory staff | 94 | 76 |
| Site workers | | |
| **Total** | **518** | **485** |

### REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

Gross remuneration (including benefits in kind, but excluding variable remuneration) paid in 2020 to Frédéric Gardès for serving as Chief Executive Officer amounted to €850,000. Gross variable remuneration accrued in respect of 2020, contingent on quantitative and qualitative objectives, to be paid to him in 2021 subject to approval at the Annual General Meeting, will amount to €841,500.

Gross remuneration paid in 2020 to Olivier Roussat for serving as Chairman of the Board of Directors amounted to €150,000.

As members of the Bouygues Group Management Committee, Frédéric Gardès and Olivier Roussat benefit from a top-up pension scheme based on 0.92% of their reference salary for each year's scheme membership, capped at eight times the annual social security ceiling. Entitlement to that pension scheme is contingent on performance conditions at the level of the Bouygues and Colas groups. No provision is required for this top-up pension scheme, because it takes the form of an insurance policy contracted with an organization from outside the Group.

The gross amount of remuneration paid to the directors in 2020 in respect of 2019 was €199,200.

### LOANS AND ADVANCES TO CORPORATE OFFICERS

None.

## NOTE 17 – AUDITORS' FEES

| | Mazars | | PwC | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Audit of annual and consolidated financial statements | 0.3 | 0.3 | 0.2 | 0.2 |
| Other services | | | | |
| **Total** | **0.3** | **0.3** | **0.2** | **0.2** |

## NOTE 18 – HOLDINGS IN SUBSIDIARIES AND AFFILIATES

| (€ million) | Share capital | Other share-holders' equity | % held | Carrying amount | | Loans & advances | Gua-rantees given | Sales | Net profit/ (loss) for year | Dividend received |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Gross | Net | | | | | |
| **1. French subsidiaries** | | | | | | | | | | |
| Colas France | 54.1 | 447.8 | 100.0 | 25.7 | 25.7 | | 0.1 | 642.3 | 9.4 | 7.7 |
| Colas Ile-de-France-Normandie | 35.1 | 41.0 | 100.0 | 47.1 | 47.1 | | 0.2 | 761.1 | 17.7 | 18.2 |
| Colas Nord-Picardie | 5.7 | 46.0 | 100.0 | 27.6 | 27.6 | | | | 2.9 | |
| Colas Nord-Est | 36.6 | 89.3 | 65.2 | 50.7 | 50.7 | | 0.2 | 759.8 | 1.8 | 5.5 |
| Colas Rhône-Alpes Auvergne | 20.1 | 57.3 | 100.0 | 51.6 | 51.6 | | 0.1 | 495.2 | 12.3 | 14.6 |
| Colas Midi-Méditerranée | 9.0 | 39.9 | 100.0 | 27.2 | 27.2 | | 0.1 | 516.4 | 21.1 | 14.6 |
| Colas Sud-Ouest | 14.8 | 51.8 | 100.0 | 31.9 | 31.9 | | 0.1 | 574.8 | 2.1 | 6.0 |
| Aximum | 22.0 | 5.8 | 99.9 | 90.1 | 90.1 | 25.0 | | 201.4 | (18.5) | |
| Spac | 5.1 | 9.2 | 99.9 | 14.3 | 14.3 | | | 135.1 | (3.2) | |
| Colas Rail | 220.3 | (38.0) | 100.0 | 456.4 | 456.4 | 50.0 | | 259.1 | (14.1) | |
| Sté Raffinerie de Dunkerque | 40.7 | (92.7) | 100.0 | 20.4 | - | | | | (24.2) | |
| Colas Projects | 2.7 | 16.0 | 100.0 | 31.4 | 31.4 | | | 15.6 | (1.8) | |
| G.T.O.I. | 0.8 | (14.6) | 100.0 | 1.4 | 1.4 | | | 146.1 | (22.9) | |
| S.C.P.R. | 0.5 | 24.7 | 100.0 | 30.3 | 30.3 | | | 46.2 | - | 0.2 |
| Ribal Travaux Publics | 7.5 | 15.3 | 100.0 | 7.6 | 7.6 | | | 29.1 | 2.4 | 1.0 |
| Gouyer | 2.0 | 5.1 | 96.9 | 48.0 | 20.0 | | | | 3.2 | 3.0 |
| Sogetra | 0.1 | 9.9 | 100.0 | 3.5 | 3.5 | | | 33.0 | 0.7 | 3.1 |
| Other French subsidiaries | | | | 33.5 | 31.0 | 229.7 | 178.5 | | | 10.2 |
| **Total French subsidiaries** | | | | **998.7** | **947.8** | **304.7** | **179.3** | | | **84.1** |
| **2. French affiliates** | | | | | | | | | | |
| French affiliates | | | | 1.2 | 0.4 | 0.2 | | | | |
| **Total French affiliates** | | | | **1.2** | **0.4** | **0.2** | | | | |
| **3. Foreign subsidiaries and affiliates** | | | | | | | | | | |
| Foreign subsidiaries | | | | 992.0 | 806.1 | 173.7 | 783.5 | | | 124.3 |
| Foreign affiliates | | | | 68.2 | 68.2 | | | | | |
| **Totals** | | | | **2,060.1** | **1,822.5** | **478.6** | **962.8** | | | **208.4** |

## NOTE 19 – LIST OF INVESTMENTS

| Name | Number of shares | Estimated realizable value (€ thousand) |
|---|---|---|
| Colas Centre-Ouest [1] | 7,449,381 | 25,682 |
| Colas Ile-de-France-Normandie | 35,092,411 | 47,071 |
| Colas Nord-Picardie | 5,703,394 | 27,599 |
| Colas Nord - Est | 23,841,787 | 50,655 |
| Colas Rhône-Alpes Auvergne | 20,063,450 | 51,575 |
| Colas Midi-Méditerranée | 9,008,267 | 27,193 |
| Colas Sud-Ouest | 14,769,500 | 31,946 |
| Aximum | 29,299,996 | 90,104 |
| Spac | 5,099,997 | 14,330 |
| Colas Bitumen France | 6,037,000 | 5,710 |
| Colas Rail | 220,312,760 | 456,385 |
| Colas Projects | 2,680,636 | 31,374 |
| Grands Travaux de l'Océan Indien (GTOI) | 799,964 | 1,381 |
| SCPR | 32,600 | 30,300 |
| Ribal Travaux Publics | 7,500,000 | 7,644 |
| Sogetra | 146,895 | 3,492 |
| Gouyer | 124,436 | 20,033 |
| Colas Mayotte | 18,548,640 | 927 |
| Entreprise de Travaux Publics et de Concassage (ETPC) | 79,999 | 200 |
| Colas Digital Solutions | 1,575,012 | 2,559 |
| Colasie | 624,225 | 634 |
| Colas Environnement et Recyclage | 160,000 | 312 |
| SCI Les Scop | 1,000 | 1,029 |
| SCI La Mouche | 1,000 | 227 |
| Other French subsidiaries and affiliates | – | 20,534 |
| Foreign subsidiaries and affiliates | – | 873,564 |
| **Total holdings in subsidiaries and affiliates** | | **1,822,460** |
| Other investments in French companies | | 6 |
| Other investments in foreign companies | | |
| **Total other long-term investments** | | **6** |
| Certificates of deposit | | |
| Mutual funds | | |
| **Total short-term investments** | | **0** |
| **Total investments** | | **1,822,466** |

*(1) Colas Centre-Ouest changed its corporate name to Colas France effective January 1, 2021.*

# STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

# Statutory Auditors' report

## on the parent company financial statements

### (YEAR ENDED DECEMBER 31, 2020)

To the Annual General Meeting of the Shareholders

## OPINION

In accordance with the assignment entrusted to us by your Annual General Meeting, we have conducted our audit of the accompanying parent company financial statements of Colas SA for the year ended December 31, 2020.

In our opinion, the parent company financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French Generally Accepted Accounting Principles (GAAP).

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

## BASIS FOR OUR OPINION

### Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are described in the section "Statutory auditors' responsibilities for the audit of the parent company financial statements" below.

## INDEPENDENCE

We conducted our audit engagement in compliance with the rules on independence contained in the French Commercial Code and in the Code of Ethics of the auditing profession during the period from January 1, 2020 to the date of issuance of this report. Specifically, we provided no services prohibited by Article 5, Paragraph 1 of Regulation (EU) No. 537/2014.

## JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

The global crisis caused by the Covid-19 pandemic created challenging conditions for the preparation and audit of this year's financial statements. The crisis – and the unprecedented public health measures taken in response – had multiple consequences for businesses, especially on their operations and finances, and also created increased uncertainty about their future prospects. Some of those measures, such as travel restrictions and teleworking, also had an impact on internal organization within companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, in accordance with Articles L. 823-9 and R. 823-7 of the Commercial Code regarding the justification of our assessments, we draw your attention to key audit matters that relate to those risks of material misstatement that in our professional judgement were of the most significance in the audit of the parent company financial statements for the year, and our response to those risks.

Our assessments should be seen in the context of the audit of the parent company financial statements taken as a whole, and of the formation of our opinion as expressed above. We do not express an opinion on elements of the parent company financial statements taken in isolation.

### Valuation of holdings in subsidiaries and affiliates

(Notes 2 and 18 to the parent company financial statements)

#### Identified risk

Holdings in subsidiaries and affiliates, reported in the balance sheet as of December 31, 2020 at a carrying amount of €1,822 million, represent 71% of total assets. They are initially measured at acquisition cost, and assessed for impairment on the basis of value in use. The value in use of holdings in subsidiaries and affiliates is estimated by management on the basis of either the value of the net assets held or profit forecasts.

Given the degree of judgment applied by management in determining the value in use of holdings in subsidiaries and affiliates, in particular where the carrying amount is significantly higher than the share of net assets held, we considered the measurement of such assets to be a key audit matter.

#### Audit procedures implemented

The procedures we used to assess the reasonableness of the estimates of the value in use of holdings in subsidiaries and affiliates involved comparing the carrying amount to the share of net assets held and then, in cases where the carrying amount was significantly higher than the share of net assets held:

- on the basis of the information provided to us, assessing whether the value in use determined by management was adequately supported;
- assessing whether the data used to test holdings in subsidiaries and affiliates for impairment was consistent with source data from the investee;
- testing the arithmetical accuracy of value in use calculations carried out by management.

## SPECIFIC VERIFICATIONS

We also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations.

### Information given in the management report and in other documents addressed to the shareholders about the financial position and the parent company financial statements

We have no matters to report as to the fair presentation and consistency with the parent company financial statements of the information given in the Board of Directors' management report and in other documents addressed to the shareholders about the financial position and the parent company financial statements.

We hereby attest that the information about payment terms provided in accordance with Article D. 441-4 of the Commercial Code is fairly presented and consistent with the parent company financial statements.

### Report on corporate governance

We hereby attest that the information required under Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the Commercial Code is contained in the Board of Directors' report on corporate governance.

As regards the information required under Article L. 22-10-9 of the Commercial Code on the remuneration and benefits paid or awarded to corporate officers and commitments made in their favor, we have verified its consistency with the financial statements or with the underlying data used to prepare these financial statements and, where applicable, with items obtained by your company from entities that are controlled by it and are included in the scope of consolidation. Based on those procedures, we attest that this information is accurate and fairly presented.

As regards the information required under Article L. 22-10-11 of the Commercial Code on factors your company regards as likely to have an impact in the event of a public tender offer or public exchange offer, we have verified its consistency with the source documents as communicated to us. Based on those procedures, we have no matters to report on this information.

### Other information

In accordance with law, we have verified that the required information about the identity of shareholders and holders of voting rights has been disclosed to you in the management report.

## OTHER VERIFICATIONS OR INFORMATION REQUIRED UNDER LEGAL OR REGULATORY OBLIGATIONS

### Presentation format for parent company financial statements intended for inclusion in the annual financial report

In accordance with point III of Article 222-3 of the AMF General Regulation, your company's management has informed us of their decision to defer first-time application of the single electronic reporting format as defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 until accounting periods commencing on or after 1 January 2021. Consequently, the present report does not include a conclusion on compliance with that format in the presentation of the parent company financial statements intended for inclusion in the annual financial report mentioned in Article L. 451-1-2 I of the Monetary and Financial Code.

### Appointment as statutory auditors

We were appointed as statutory auditors of Colas SA by your Annual General Meetings of April 25, 2001 (Mazars) and of April 17, 2019 (PricewaterhouseCoopers Audit).

As of December 31, 2020, Mazars was in its twentieth uninterrupted year as statutory auditor, and PricewaterhouseCoopers Audit in its second year.

### Responsibilities of management, and of those charged with governance, for the parent company financial statements

It is the responsibility of management to prepare parent company financial statements that give a true and fair view in accordance with French Generally Accepted Accounting Principles (GAAP), and to implement such internal control as it determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern; to disclose in those financial statements any matters relating to going concern; and to apply the going concern basis of accounting unless it is intended to liquidate the company or cease trading.

It is the responsibility of the Audit Committee to oversee the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and of internal audit, as regards procedures for preparing and processing accounting and financial information.

The parent company financial statements have been closed off by the Board of Directors.

## STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE PARENT COMPANY FINANCIAL STATEMENTS

### Objective and audit approach

It is our responsibility to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the Commercial Code, our audit does not involve guaranteeing the viability of the company or the quality of how it is managed.

As part of an audit in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition, the statutory auditor:

— identifies and assesses the risks of material misstatement of the parent company financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for the statutory auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
— obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
— evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the parent company financial statements;
— concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Those conclusions are based on the audit evidence obtained up to the date of the statutory auditor's report, with the caveat that future events or conditions may cause a company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, the statutory auditor is required to draw attention in the statutory auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer;
— evaluates the overall presentation of the parent company financial statements, and whether the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view of them.

## Report to the Audit Committee

We submit a report to the Audit Committee that describes inter alia the scope of our audit, the work program followed, and our findings. We also inform the Audit Committee of any significant deficiencies in internal control we identified as regards the procedures used for the preparation and processing of accounting and financial information.

The information contained in our report to the Audit Committee includes those risks of material misstatement that we determined were of most significance in the audit of the parent company financial statements of the current period and are therefore the key audit matters that we are required to describe in the present report.

We also provide the Audit Committee with written confirmation (as required under Article 6 of Regulation (EU) No. 537-2014) of our independence, within the meaning of the rules applicable in France and contained inter alia in Articles L. 822-10 to L.822-14 of the Commercial Code and in the code of ethics of the French auditing profession. Where applicable, we also communicate with the Audit Committee about risks to our independence, and related safeguards.

The Statutory Auditors

Neuilly-sur-Seine and Paris La Défense, February 16, 2021

| PricewaterhouseCoopers Audit | | Mazars | |
|---|---|---|---|
| Edouard Sattler | Amélie Jeudi de Grissac | Gilles Rainaut | Daniel Escudeiro |

# STATUTORY AUDITORS' SPECIAL REPORTS



*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

# Statutory Auditors' special report

## on regulated agreements

**Annual General Meeting called to approve the financial statements for the year ended December 31, 2020**

To the Annual General Meeting of the Shareholders of Colas,

In our capacity as auditors of your company, we present below our report on regulated agreements.

We are required to report to you, based on the information provided to us, on the main terms and conditions of the agreements that have been disclosed to us or which were brought to light as a result of our assignment, as well as the reasons justifying the benefit of those agreements for the company. We are not required to comment on their usefulness or substance, or to determine whether other such agreements exist. It is your responsibility to determine whether those agreements are of benefit and should be approved, in accordance with the terms of Article R. 225-31 of the Commercial Code.

We are also required to report to you the information required under Article R. 225-31 of the Commercial Code regarding the implementation during the last financial year of agreements already approved by previous Annual General Meetings.

We performed the procedures we deemed necessary in accordance with the professional standards issued by the French Statutory Auditors' board (CNCC) relating to this type of engagement. Those procedures involved ensuring that the information disclosed to us was consistent with the source documents from which it was taken.

## Agreements submitted to the Annual General Meeting for approval

### AGREEMENTS AUTHORIZED AND ENTERED INTO DURING THE LAST FINANCIAL YEAR

Pursuant to Article L. 225-40 of the Commercial Code, we have been informed of the following agreements entered into during the last financial year, which were approved by the Board of Directors prior to signature.

#### Renewal of the shared service agreement with Bouygues

At its meeting of November 17, 2020, the Board of Directors authorized the renewal of the shared service agreement between Bouygues and Colas, for a one-year period from January 1, 2021 to December 31, 2021.

The agreement enables Colas (in return for a fee) to benefit from services and assistance provided by Bouygues (principally management, human resources, information technology, and financial and legal services). The terms of the agreement are unchanged from those of the previous agreement, as described below.

The renewal of this agreement had no financial impact on the 2020 financial year. It will impact the 2021 financial year.

**Persons concerned**

Olivier Roussat (Chairman of the Board of Directors); Arnauld Van Eeckhout, Olivier Bouygues, and Colette Lewiner (Directors); and Bouygues SA, represented by Pascal Grangé.

#### Renewal of the aircraft charter agreement with Airby

At its meeting of November 17, 2020, the Board of Directors authorized the renewal of this agreement with Airby, a subsidiary of Bouygues and SCDM, for a further one-year period from January 1, 2021 to December 31, 2021.

The agreement involves Airby making a Global 6000 aircraft available to Colas or, if that aircraft is unavailable, an aircraft rented on the market suitable for the needs of Colas. The terms of the agreement are unchanged from those of the previous agreement, as described below.

The renewal of this agreement had no financial impact on the 2020 financial year. It will impact the 2021 financial year.

**Persons concerned**

Olivier Roussat (Chairman of the Board of Directors); Arnauld Van Eeckhout, Olivier Bouygues, and Colette Lewiner (Directors); and Bouygues SA, represented by Pascal Grangé.

### AGREEMENTS AUTHORIZED AND ENTERED INTO AFTER THE END OF THE REPORTING PERIOD

We have been informed of the following agreements authorized and entered into after the end of the last financial year, which were approved by the Board of Directors prior to signature.

#### Agreement with Bouygues SA on the recharging of contributions to the defined-benefit pension plan to which the Chief Executive Officer is entitled

At its meeting of January 11, 2021, the Board of Directors authorized the signature of this agreement for the 2020 and 2021 financial years.

The purpose of the agreement is to enable Bouygues to recover from Colas SA the amount of contributions paid into the supplementary defined-benefit pension plan to which the Chief Executive Officer is entitled.

The expense recognized by Colas SA in respect of the 2020 financial year (including the 24% social security levy) was €326,000.

### Persons concerned

Olivier Roussat (Chairman of the Board of Directors); Arnauld Van Eeckhout, Olivier Bouygues, and Colette Lewiner (Directors); and Bouygues SA, represented by Pascal Grangé.

# Agreements already approved by a Shareholders' General Meeting

## Agreements approved in previous years

Pursuant to Article R. 225-30 of the Commercial Code, we were informed that transactions under the following agreements, which had already been approved by previous Annual General Meetings, continued to be implemented during the last financial year.

## Shared service agreement with Bouygues

The Annual General Meeting of April 22, 2020 approved the renewal of the shared service agreement with Bouygues for the period from January 1 to December 31, 2020.

That agreement enables Colas (in return for a fee) to benefit from services and assistance provided by Bouygues, principally management, human resources, information technology, and financial and legal services.

The principle behind the agreement is based on rules for allocating and invoicing the cost of shared services, including specific services and a share of residual costs, up to a limit expressed as a percentage of Colas sales. The share of residual costs is invoiced at cost plus a margin of 10% for high value-added services and 5% for low value-added services.

The total expense recognized by Colas SA in the financial statements for the year ended December 31, 2020 in respect of this agreement was €17,953,827.

### Persons concerned

Olivier Roussat (Chairman of the Board of Directors); Arnauld Van Eeckhout, Olivier Bouygues, and Colette Lewiner (Directors); and Bouygues SA, represented by Pascal Grangé.

## Aircraft charter agreement with Airby

The Annual General Meeting of April 22, 2020 approved the renewal, for a one-year period from January 1, 2020 to December 31, 2020, of the agreement with SNC Airby (a subsidiary of Bouygues and SCDM) relating to the chartering of aircraft and the provision of all associated services such as aircrew and fuel.

The agreement involves Airby making a Global 6000 aircraft available to Colas or, if that aircraft is unavailable, an aircraft rented on the market suitable for the needs of Colas:

- for the Global 6000 aircraft: Colas is charged €7,000 excluding VAT per flight hour. This rate is revised annually to reflect changes in market rates;
- for an aircraft rented on the market: Colas is charged the rental fee for the aircraft plus, on each occasion an aircraft is made available, a fixed fee of €1,000 excluding VAT to remunerate the charter service provided by SNC Airby to Bouygues.

A separate invoice is issued each time an aircraft is made available. The total expense recognized by Colas SA in the financial statements for the year ended December 31, 2020 in respect of this agreement was €355,363.

### Persons concerned

Olivier Roussat (Chairman of the Board of Directors); Arnauld Van Eeckhout, Olivier Bouygues, and Colette Lewiner (Directors); and Bouygues SA, represented by Pascal Grangé.

## Group tax election agreement

The Annual General Meeting of April 11, 2017 approved the renewal of the group tax election agreement between Colas and Bouygues. That agreement applies for a period of five financial years from January 1, 2017 to December 31, 2021, and is automatically renewable.

The agreement governs how income tax expense is allocated within the tax group formed by Bouygues as parent company, pursuant to Article 223-A of the General Tax Code, and charges Colas for the amounts of tax which it is jointly and severally liable to pay.

By the same agreement, Colas authorizes Bouygues to be the sole taxpayer in respect of taxes on the profits of Colas with a view to determining the taxable profits or losses of the tax group as a whole.

This agreement was applied during the 2020 financial year.

### Persons concerned

Olivier Roussat (Chairman of the Board of Directors); Arnauld Van Eeckhout, Olivier Bouygues, and Colette Lewiner (Directors); and Bouygues SA, represented by Pascal Grangé.

The Statutory Auditors

Neuilly-sur-Seine and Paris La Défense, February 16, 2021

| PricewaterhouseCoopers Audit | | Mazars | |
|---|---|---|---|
| Edouard Sattler | Amélie Jeudi de Grissac | Gilles Rainaut | Daniel Escudeiro |

# Statutory Auditors' report

## on the reduction in share capital
## Annual General Meeting of April 20, 2021 – 20th resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in fulfilment of the engagement specified in Article L. 225-209 of the Commercial Code in the event of a reduction in share capital by retirement of repurchased shares, we hereby report on our assessment of the reasons for and terms of the proposed reduction in share capital.

Your Board of Directors proposes that you delegate to it, for a period of 18 months from the date of the present Shareholders' Meeting, full powers to retire, on one or more occasions and subject to a cap of 10% of the share capital per 24-month period, shares repurchased by your company under an authorization to repurchase its own shares pursuant to the aforementioned Article.

We performed the procedures we considered necessary in accordance with the professional standards issued by the French statutory auditors' board, the CNCC, for this type of engagement. Our procedures involve us examining whether the reasons for and terms of the proposed capital reduction, which is not likely to affect the equal treatment of shareholders, are in order.

## Unqualified conclusion

We have no comment to make on the reasons for and terms of the proposed reduction in share capital.

The Statutory Auditors

Neuilly-sur-Seine and Paris La Défense, February 16, 2021

| PricewaterhouseCoopers Audit | | Mazars | |
|---|---|---|---|
| Edouard Sattler | Amélie Jeudi de Grissac | Gilles Rainaut | Daniel Escudeiro |

# INDEPENDENT THIRD PARTY'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

*This is a free translation into English of the Independent verifier's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

# Independent third party's report on the consolidated non-financial statement

**Year ended the December 31, 2020**

**To the Executive management,**

Following the request made to us and in our quality as an independent verifier of the Colas entity (hereinafter referred to as the "entity"), we present our report on the consolidated non-financial statement established for the year ended on the December 31, 2020 (hereafter referred to as the "Statement"), which the entity has chosen to prepare and present in the management report by reference to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

## Responsibility of the entity

As part of this voluntary approach, it is the responsibility of the entity to prepare the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Reporting Criteria"), the significant elements of which are presented in the Statement (or available on request at the entity's head office).

## Independence and quality control

Our independence is defined by the requirements of the Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical and professional standards.

## Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

— the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;

— the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

It is also our responsibility to express, at the entity's request and outside the scope of accreditation, a conclusion of reasonable assurance that the information selected by the entity and identified by the ✻ sign in Appendix 1 (hereafter the "Selected Information") is fairly presented, in all material respects, in accordance with the Reporting Criteria.

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, particularly regarding the vigilance plan and the fight against corruption and tax evasion, nor the compliance of products and services with applicable regulations.

## 1. Limited assurance report on the consolidated non-financial statement presented in the management report

### Nature and scope of the work

Our work described below was carried out in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000[1]:

— we obtained an understanding of all the consolidated entity' activity and the description of the activity of all the entities included in the scope of consolidation and the principal risks associated;

— we assessed the suitability of the Reported criteria with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;

— we verified that the Declaration covers each category of information provided for in III of article L. 225-102-1 of the French Commercial Code in social and environmental matters as well as the information provided for in the 2nd paragraph of article L. 22-10-36 in terms of respect for human rights and the fight against corruption and tax evasion;

*(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.*

- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entity's activity, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning the risk associated with corruption, our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities : Colas Belgique, Colas Île-de-France Normandie, SPAC, Sintra Inc. and Miller Group;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations specified in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 14% and 21% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (17% of the extended turnover, 17% of the entity's workforce, 19% of energy consumption);
- we assessed the overall consistency of the Statement based on our knowledge of the entity and all the entities included in the scope of consolidation.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

### Means and resources

Our verification work mobilized the skills of 7 people and took place between September 2020 and February 2021 on a total duration of intervention of about 22 weeks.

We conducted six interviews with the persons responsible for the preparation of the Statement including the Innovation & Sustainability department, the Human Resources department, Health & Safety division, Environment division, and the Procurement department.

### Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, has not been presented fairly in accordance with the Guidelines, in all material respects.

## 2. Reasonable assurance report on the Selected information

### Nature and scope of the work

Concerning the Selected Information by the entity and identified by an ✻ in Appendix 1, we carried out work of the same nature as those described in paragraph 1 above for the key performance indicators and other quantitative results we considered the most important, but in a more in-depth manner, especially with regard to the scope of the tests.

The selected sample thus represents 52% of the Selected Information.

We believe that this work allows us to express a reasonable assurance on the Selected Information.

### Conclusion

In our opinion, the Selected Information has been established, in all material respects, in accordance with the Criteria.

Paris-La Défense, February 24, 2021

Independent Verifier

ERNST & YOUNG et Associés

| | |
|---|---|
| Jean-François Bélorgey<br>Partner | Éric Mugnier<br>Partner, Sustainable Development |

## APPENDIX 1 : THE MOST IMPORTANT INFORMATION

### Social Information

| Quantitative Information (including key performance indicators) | Qualitative Information (actions or results) |
|---|---|
| Frequency rate of workplace accidents among staff ⊛<br>Severity rate of workplace accidents among staff<br>Fatal accidents among staff ⊛<br>Total headcount<br>Percentage of women with manager status | Occupational Health and Safety<br>Prevention regarding road safety<br>Promotion of diversity and equal opportunities particularly via recruitment, career management and closing the pay gap between men and women<br>Development of skills and internal job mobility |

### Environmental Information

| Quantitative Information (including key performance indicators) | Qualitative Information (actions or results) |
|---|---|
| Ratio (CAE) of manufacturing Activities controlling environmental impacts (environmental certification and/or Colas checklist)<br>Recycled materials ratio vs. virgin aggregates produced<br>The recycling rate of reclaimed asphalt pavement to reuse the bitumen<br>Total energy costs<br>Total energy consumption<br>Greenhouse gas emissions by scope<br>CAE of aggregates production which has an action for biodiversity | The level of progress of the Carbon roadmap |

### Societal Information

| Quantitative Information (including key performance indicators) | Qualitative Information (actions or results) |
|---|---|
| CAE of manufacturing Activities with a local dialogue structure | Responsible purchasing |

# SPECIAL REPORT RELATING TO SHARE SUBSCRIPTION AND/OR PURCHASE OPTIONS

granted to some or all salaried employees of the Company (Article L.225-184 of the French Commercial Code)

# Special Report on share subscription and/or purchase options granted to all or some salaried employees of the Company (article L.225-184 of the French Commercial Code)

Pursuant to Article L.225-184 of the French Commercial Code, this report informs the Shareholders' Meeting of the transactions carried out under the provisions of Articles L.225 177 to L.186 of the French Commercial Code (share subscription and/or purchase options granted to all or some salaried employees of the Company).

## 1. Share subscription and/or purchase options granted by the Company (Article L.225-177 of the French Commercial Code)

In 2020, the Company was not authorized to set up share subscription and/or purchase option plans for all or some salaried employees of the Company.

## 2. Share subscription and/or purchase options granted by affiliated companies (Article L.225-180 of the French Commercial Code)

The Bouygues SA Combined Shareholders' Meeting of April 25, 2019, in its thirty-second resolution, authorized the Board of Directors to grant, on one or more occasions, options giving the right to subscribe to new shares or purchase existing shares. This authorization was granted for a period of thirty-eight months, and recipients of these options must be employees and/or company officers of Bouygues SA or companies in the economic interest groups (GIE) that are directly or indirectly affiliated with it in accordance with Article L.225-180 of the French Commercial Code.

### 2.1. GENERAL INFORMATION: FEATURES OF SHARE SUBSCRIPTION OPTIONS

All share subscription options granted by Bouygues SA (the parent company of Colas) in 2020 have the following characteristics:

- exercise price: Average of the first quoted prices for the twenty trading sessions prior to the grant, not discounted;
- total duration: Ten years beginning on the grant date of the options;
- vesting period: Two years following the grant date of the options;
- exercise period: Eight years beginning at the end of the vesting period (three exceptions for exercise at any time during those ten years: exercise by holder's heirs no later than six months after holder's death; change in control over Bouygues or public offer of purchase (OPA) or exchange (OPE) with respect to Bouygues; exercise pursuant to Article L.3332-25 of the French Labor Code, using assets acquired under the Group's Company Savings Plan [PEE]);
- automatic cancellation if the holder's employment contract or term of office comes to an end, barring special authorization, incapacitation, resignation or retirement.

## 2.2. SHARE SUBSCRIPTION OPTIONS GRANTED OR EXERCISED IN 2020

Options entitling the holders to subscribe for new Bouygues shares were granted in 2020. The exercise price was set at 30.53 euros per subscribed share.

At the time of the grant, pursuant to the method described in the consolidated financial statements, the value of each option was 3.0093 euros.

### 2.2.1. Share subscription options granted to executive company officers in 2020

| Executive company officers | Granting company | Grant date | Number of options | Exercise price (in euros) |
|---|---|---|---|---|
| Frédéric Gardès | Bouygues | October 8, 2020 | 80,000 | 30.53 |
| Olivier Roussat | / | / | / | / |
| **TOTAL** | | | **80,000** | |

### 2.2.2. Share subscription options exercised by executive company officers in 2020

| Executive company officers | Granting company | Plan concerned | Number of options | Exercise price (in euros) |
|---|---|---|---|---|
| Frédéric Gardès | Bouygues | March 28, 2013 | 2,500 | 22.28 |
| Olivier Roussat | Bouygues | / | / | / |
| **TOTAL** | | | **2,500** | |

### 2.2.3. Breakdown of share subscription options granted by Bouygues SA by plan and by type of recipient

| | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
|---|---|---|---|---|---|---|---|
| Date of Bouygues SA | 04/25/2019 | 04/25/2019 | 04/26/2018 | 04/27/2017 | 04/21/2016 | 04/23/2015 | 04/21/2011 |
| Shareholders' Meeting | 10/10/2020 | 05/31/2018 | 06/01/2018 | 06/01/2017 | 05/30/2016 | 05/28/2015 | 03/27/2014 |
| Grant date | 910,000 | 822,000 | 817,000 | 810,000 | 800,000 | 800,000 | 850,000 |
| – *of which: executive company officers and salaried Directors* | *80,000* | *157,000* | *80,000* | *80,000* | *80,000* | *80,000* | *80,000* |
| *Frédéric Gardès* | *80,000* | *22,000* | *N/A* | *N/A* | *N/A* | *N/A* | *N/A* |
| *Olivier Roussat* | */* | */* | *N/A* | *N/A* | *N/A* | *N/A* | *N/A* |
| – *of which: Top ten employee recipients* | *129,500* | *136,000* | *130,000* | *140,000* | *120,000* | *120,000* | *117,000* |
| Original exercise price | €30.53 | €32.591 | €41.57 | €37.99 | €29.00 | €37.106 | €30.32 |
| before adjustment | 10/09/2022 | 06/01/2021 | 06/02/2020 | 06/02/2019 | 05/31/2018 | 05/29/2017 | 03/28/2018 |
| Earliest exercise date | 10/08/2030 | 05/31/2029 | 06/01/2028 | 06/01/2027 | 05/30/2026 | 05/28/2025 | 09/27/2021 |

*There have been no salaried Directors since 2014.*

### 2.2.4. Share subscription options granted to the top ten employee recipients (other than company officers) who received the most options in fiscal year 2020

| | Granting company | Grant date | Number of options | Exercise price (in euros) |
|---|---|---|---|---|
| Thierry Méline | Bouygues | 10/08/2020 | 22,000 | 30.53 |
| Éric Haentjens | Bouygues | 10/08/2020 | 17,000 | 30.53 |
| Philippe Tournier | Bouygues | 10/08/2020 | 17,000 | 30.53 |
| Thierry Le Roch' | Bouygues | 10/08/2020 | 11,000 | 30.53 |
| Valérie Hammar | Bouygues | 10/08/2020 | 10,000 | 30.53 |
| Frédéric Roussel | Bouygues | 10/08/2020 | 10,000 | 30.53 |
| Bernard Sala | Bouygues | 10/08/2020 | 10,000 | 30.53 |
| Francis Grass | Bouygues | 10/08/2020 | 9,500 | 30.53 |
| Alain Moustard | Bouygues | 10/08/2020 | 9,000 | 30.53 |
| Christophe Da Poïan | Bouygues | 10/08/2020 | 7,000 | 30.53 |
| Jacques Pastor | Bouygues | 10/08/2020 | 7,000 | 30.53 |
| **TOTAL** | | | **129,500** | |

### 2.2.5. Share subscription options exercised in fiscal year 2020 by the top ten Colas SA employees who exercised the most options

| Salariés | Granting company | Grant date | Number of options | Exercise price (in euros) |
|---|---|---|---|---|
| Louis Gabanna | Bouygues | March 28, 2013 | 15,000 | 22.28 |
| Philippe Tournier | Bouygues | March 28, 2013 | 15,000 | 22.28 |
| Alain Moustard | Bouygues | March 28, 2013 | 7,800 | 22.28 |
| Laurent Le Boulc'h | Bouygues | March 28, 2013 | 6,000 | 22.28 |
| Thierry Méline | Bouygues | March 27, 2014 | 6,000 | 30.32 |
| Jean Vidal | Bouygues | March 27, 2014 | 6,000 | 30.32 |
| Michel Boltz | Bouygues | May 30, 2016 | 5,000 | 29 |
| Benoît Chauvin | Bouygues | March 28, 2013 | 5,000 | 20.11 |
| Jacques Pastor | Bouygues | March 27, 2014 | 5,000 | 30.32 |
| Jean-Luc Begasse | Bouygues | March 28, 2013 | 4,000 | 22.28 |
| Martine Bourdon | Bouygues | March 28, 2013 | 4,000 | 22.28 |
| **TOTAL** | | | **78,800** | |

**The Board of Directors**

# SPECIAL REPORT ON BONUS AWARDS

of existing or new shares to all or some categories of salaried employees of the Company (Article L.225-197-4 of the French Commercial Code)

# Special report on bonus awards
## of existing or new shares to all or some categories of salaried employees of the Company (Article L.225-197-4 of the French Commercial Code)

Pursuant to Article L.225-197-4 of the French Commercial Code, this report informs the Shareholders' Meeting of the transactions performed by virtue of the provisions of Articles L.225-197-1 to L.225-197-3 of the French Commercial Code (bonus awards of existing or new shares to all or some categories of salaried employees of the Company).

## 1. Bonus shares awarded by the Company (Article L.225-197-1 of the French Commercial Code

In 2020, the Company was not authorized to set up bonus share award plans for all or some salaried employees of the Company.

## 2. Bonus shares awarded by affiliated companies (Article L.225-197-2 of the French Commercial Code)

The Bouygues SA Combined Shareholders' Meeting of April 25, 2019, in its thirty-third resolution, authorized the Board of Directors to make, on one or more occasions, bonus awards of existing or new shares. This authorization was granted for a period of thirty-eight months, and share recipients must be employees and/or company officers of Bouygues SA or companies of the economic interest groups (GIE) that are affiliated with it within the meaning of Article L.225-197-2 of the French Commercial Code.

In connection with its 2020 compensation policy, the Bouygues SA Combined Shareholders' Meeting on April 23, 2020 approved in principle long-term compensation in the form of a conditional grant of shares to Bouygues' executive company officers to better align their interests with those of its shareholders. Olivier Roussat was conditionally granted up to 40,000 shares subject to the performance conditions calculated over three years with a total value of 419,032 euros at their grant date.

**The Board of Directors**

# REPORT ON CORPORATE GOVERNANCE

(article L. 225-37 of the French Commercial Code)

# Report on corporate governance

(Article L.225-37 of the French Commercial Code)

In accordance with the provisions of Articles L.225-37 paragraph 6, L.225-37-4 and L.22-10-10 of the French Commercial Code, the Board of Directors has prepared this report on corporate governance as attached to the management report.

## 1. Governance

### 1.1. Executive Management

#### 1.1.1. CHIEF EXECUTIVE OFFICER

**FRÉDÉRIC GARDÈS**

Frédéric Gardès, 49, is a graduate of the École Centrale de Paris and KTH Royal Institute of Technology in Stockholm. He began his career with the Bouygues Group in 1994 as a project engineer at Bouygues Offshore.

From 2002 to 2011, he held a number of management positions at Saipem, heading up major international projects.

In 2011, he joined Colas as Director of the subsidiary GTOI, on Reunion Island.

He then took on the role of Regional Manager, Indian Ocean in 2013 before being appointed Deputy Managing Director, Northern Europe and Middle East in 2015. In March 2018, he was named Managing Director, International.

He was appointed Chief Executive Officer of the Company on May 14, 2019.

At its meeting of February 16, 2021, the Board decided to co-opt him as a Director and appoint him Chairman and Chief Executive Officer of the Company for a term of two years, expiring at the close of the Shareholders' Meeting to be held in 2023 to approve the financial statements for fiscal year 2022.

#### 1.1.2. EXECUTIVE MANAGEMENT ARRANGEMENTS

From May 14, 2019 to February 16, 2021, the roles of Chairman of the Board of Directors and Chief Executive Officer were separate; Olivier Roussat had served as Chairman of the Board of Directors, and Frédéric Gardès as Chief Executive Officer.

Since February 16, 2021, Frédéric Gardès has served as both Chairman of the Board and Chief Executive Officer.

#### 1.1.3. OFFICES OR POSITIONS HELD IN ALL COMPANIES BY FRÉDÉRIC GARDÈS DURING FISCAL YEAR 2020

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Colas | SA | Chief Executive Officer | 1, rue du Colonel Pierre Avia - 75015 Paris - France |
| Colas Environnement | SAS | Director | 91, rue de la Follioure - ZAE de Follioure<br>01700 Miribel les Échets - France |
| Dust-A-Side Holdings (Pty) Ltd | Ltd | Director | Ashley Garden<br>42 Lebombo Road - 0081 Pretoria - South Africa |
| Dust-A-Side International Pty Ltd | Ltd | Director | Ashley Garden<br>42 Lebombo Road - 0081 Pretoria - South Africa |
| Colas Australia Group | Ltd | Director | Unit 2 - 3-5 Gibbon Road - 2153 Winston Hills - NSW Australia |
| Colas Canada Inc. | Inc. | Director | 4984, Place de la Savane - Bureau 150<br>Montreal - Quebec H4P 2M9 - Canada |

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Colas Inc. | Inc. | Director and Chairman of the Board | 163 Madison Avenue - Suite 500 - Morristown - NJ 07960 - USA |
| Hincol | Ltd | Director | 5H Floor Richardson - Crudas Build Sir JJ Road - Byculla Mumbai 400008 - India |
| Tasco | Ltd | Director | Tipco Tower - 118/1 Rama 6 Road - Samsen Nai - Phayathai - 10400 Bangkok - Thailand |
| Isco | Ltd | Director and Chairman of the Board | Buyeo-gun - Chungcheongnam-do - South Korea |
| Colas Émulsions | SACS | Representative of Colas on the Supervisory Board | 5, Boulevard Abdellah Ben Yacine 21700 Casablanca - Morocco |
| Grands Travaux Routiers | SACS | Representative of Colas on the Supervisory Board | 5, Boulevard Abdellah Ben Yacine 21700 Casablanca - Morocco |
| Fondation Colas | Corporate foundation | Chairman of the Board of Directors | 1, rue du Colonel Pierre Avia - 75015 Paris - France |

### 1.1.4. AGE LIMIT FOR THE CHIEF EXECUTIVE OFFICER

The age limit for serving as Chief Executive Officer is set as the day after the Shareholders' Meeting to approve the annual financial statements for the fiscal year in which the Chief Executive Officer reaches the age of 67. When the Chief Executive Officer turns 65, his/her appointment may continue for a maximum of one year, subject to confirmation by the Board of Directors at its next meeting. The Chief Executive Officer's appointment may then be renewed for a second period ending no later than the date of the Shareholders' Meeting to approve the annual financial statements for the fiscal year in which the Chief Executive Officer reaches the age of 67.

### 1.1.5. LIMITATIONS PLACED BY THE BOARD OF DIRECTORS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall be vested with the broadest powers to act in any event on the Company's behalf. He/she shall exercise those powers within the confines of the Company's corporate purpose and subject to powers expressly granted by law to Shareholders' Meetings or to the Board of Directors (see Article 20.2 of the Company's bylaws).

### 1.1.6. COMMITTEES REPORTING TO EXECUTIVE MANAGEMENT

The Chief Executive Officer was assisted in the performance of his duties during fiscal year 2020 by two management bodies:

— a **Strategic Committee**, which reviews and validates all major decisions throughout the Group, composed of the following members:
  - Frédéric Gardès, Chief Executive Officer of the Company;
  - Eric Haentjens, General Secretary;
  - Thierry Méline, General Manager, Mainland France/Overseas France and Indian Ocean territories;
  - Philippe Tournier, Group Human Resources Director;
  - Francis Grass (since September 7, 2020), General Manager EMEA, Railways, Water & Energy Transport;

— an **Executive Management Committee**, which coordinates between the headquarters teams and those in the subsidiaries, in line with the Group's decentralized management model, composed of the following members:
  - the aforementioned members of the Strategic Committee;
  - Benoît Chauvin, Deputy General Manager, Business Development;
  - Christophe Da-Poïan, Deputy General Manager, Equipment;
  - Delphine Lombard, Brand and Communications Director;
  - Emmanuel Rollin, General Counsel and Chief Compliance Officer;
  - Bernard Sala, Deputy General Manager, Sustainable Development and Innovation;
  - Fabrice Monnaert, Deputy General Manager, Major Projects;
  - Louis Gabanna, General Manager, Bitumen;
  - Thierry Le Roch', General Manager, USA;
  - Jacques Pastor, General Manager, Asia-Pacific;
  - Frédéric Roussel, General Manager, Canada.

## 1.2. Board of Directors

### 1.2.1. COMPOSITION OF THE BOARD OF DIRECTORS

#### General rules relating to the composition of the Board of Directors and the appointment of Directors and Advisory Board members

The appointment and dismissal of members of the Board of Directors are subject to the legal requirements and requirements under the bylaws mentioned in Articles 13 to 15 of the Company's bylaws.

It is stipulated therein that the Company is to be administered by a Board of Directors comprising at least three and no more than 18 members, unless otherwise provided by law.

The bylaws do not require Directors to hold a minimum number of shares. However, given the Company's capital structure (96.81% owned by Bouygues SA), the Board's internal rules recommend that each Director hold at least one share.

Directors are appointed for a term of two years by resolution at an Ordinary Shareholders' Meeting, on the basis of a proposal submitted by the Board of Directors after consulting with the Selection and Compensation Committee.

Since employees of the Company and of its affiliates as defined in Article L.225-180 of the French Commercial Code together hold shares accounting for less than 3% of the Company's share capital, in accordance with the provisions of Article L.225-23 of the French Commercial Code, the Company is not subject to the requirement to appoint one or more Directors representing employee shareholders.

Furthermore, as a subsidiary of Bouygues SA that is itself required to designate Directors representing the employees and in full compliance with this requirement, the Company is exempt, pursuant to Article L.225-27-1 of the French Commercial Code, from the requirement to designate one or more Directors representing the employees.

Two representatives from the Company's Economic and Social Committee attend the meetings of the Board of Directors in an advisory capacity.

In accordance with the provisions of Article 23 of the Company's bylaws, on the basis of a proposal submitted by the Board of Directors, a resolution or resolutions may be put to the shareholders at the Ordinary Shareholders' Meeting to appoint one or more Advisory Board members.

One or more Advisory Board members may, if appropriate, be appointed for a term of two years.

Advisory Board members are responsible for ensuring that the bylaws are strictly applied and attend Board meetings in an advisory capacity.

## Details of the composition of the Board of Directors and its committees as of December 31, 2020

| | Personal information | | | | Experience | Board position and tenure | | | | Membership of Board committees | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of Director | Age | Gender | Nationality | Number of shares held as of December 31, 2020 | Number of offices or positions held in listed companies | Independence | First appointed | Term of office ends | Number of years on the Board | Audit Committee | Selection and Compensation Committee | Ethics and Corporate Sponsorship Committee |
| **Executive company officer/Director** | | | | | | | | | | | | |
| Olivier Roussat<br>*Chairman of the Board of Directors* | 56 | M | Fr | 0 | 3 | | Feb 19, 2019 (Director)<br>October 1, 2019 to February 16, 2021 (Chairman of the Board of Directors) | 2021 SM | 2 | | | |
| **Directors** | | | | | | | | | | | | |
| Colette Lewiner | 75 | F | Fr | 0 | 6 | ○ | February 28, 2011 | 2021 SM | 9 | ○ | ★ | ○ |
| Martine Gavelle | 67 | F | Fr | 0 | 1 | ○ | February 24, 2014 | 2021 SM | 6 | | | ○ |
| Catherine Ronge | 59 | F | Fr | 0 | 2 | ○ | August 27, 2014 | 2022 SM | 6 | ○ | | |
| Olivier Bouygues | 70 | M | Fr | 42 | 4 | | February 4, 1999 | 2021 SM | 11 | | | |
| Bouygues SA | / | / | Fr | 31,611,646 | 3 | | April 16, 1986 | 2021 SM | 34 | ★ | | |
| *Represented by Pascal Grangé* | 59 | M | Fr | 0 | 3 | | February 18, 2020 | | 1 | | | |
| Arnauld Van Eeckhout | 63 | M | Fr | 0 | 1 | | Oct 1, 2019 | 2022 SM | 1 | | ○ | ★ |

★ *Chairman.*

## Directors' profiles, experience and areas of expertise

### OLIVIER ROUSSAT

Olivier Roussat is a graduate of Institut National des Sciences Appliquées (INSA) Lyon.

He began his career in 1988 at IBM, where he held various positions in data network services, service delivery and pre-sales.

He joined Bouygues Telecom in 1995 to set up the network and business process monitoring and control center for the Network Operations division. He then was appointed to lead this division, and subsequently headed up telecoms and IT service delivery activities.

Olivier Roussat was appointed Chief Network Officer in May 2003 and became a member of Bouygues Telecom's Executive Management Committee.

In January 2007, he took charge of the Performance and Technology business unit, which brings together all of Bouygues Telecom's cross-business technical and IT divisions, including Network Operations, Information Systems, Process Engineering, Purchasing, Corporate Services and Real Estate. He was also given responsibility for Bouygues Telecom's headquarters and the Technopôle center.

Olivier Roussat became Deputy Chief Executive Officer of Bouygues Telecom in February 2007 and was appointed its Chief Executive Officer in November 2007. He served as Chairman and Chief Executive Officer of Bouygues Telecom from May 2013 to November 2018, then as Chairman from November 9, 2018.

From August 30, 2016 to February 17, 2021, he served as Deputy Chief Executive Officer of Bouygues SA.

Since February 17, 2021, he has served as Chief Executive Officer of Bouygues.

He was co-opted as a Director of Colas by decision of the Board of Directors at its meeting of February 19, 2019 (this co-option was then ratified at the Shareholders' Meeting of April 17, 2019).

He served as Chairman of the Board of Directors of the Company from October 1, 2019 to February 16, 2021.

### OLIVIER BOUYGUES

Trained as an engineer, Olivier Bouygues is a graduate of the École Nationale Supérieure du Pétrole et des Moteurs (ENSPM) and joined Bouygues in 1974.

He began his career at Bouygues Travaux Publics.

From 1983 to 1988, at Bouygues Offshore, he served first as Director of the company's Cameroonian subsidiary Boscam, then as head of the Works division in France and the Special Projects division.

He has served on the Board of Directors of Bouygues SA since 1984.

He was Chairman and Chief Executive Officer of Maison Bouygues from 1988 to 1992.

In 1992, he became Group Executive Vice President of Bouygues' Utilities Management division, bringing together Saur's French and International activities.

From 2002 to 2020, he served as Deputy Chief Executive Officer of Bouygues SA.

He has been a Director of the Company since February 4, 1999.

### PASCAL GRANGÉ

Pascal Grangé has Master's degrees in management and law and a DESS postgraduate degree in finance. He joined the Bouygues Group in 1986 as Head of Finance at Dragages et Travaux Publics.

He moved on to the Bouygues Group's international finance department in 1987 before joining Screg in 1995 as Chief Financial Officer and subsequently serving as General Secretary of Stereau and Saur France.

He was appointed General Secretary of the Saur group in 2000.

In 2003, he joined Bouygues Construction as General Secretary before being promoted to Deputy Chief Executive Officer in 2008.

In March 2015, he was appointed Deputy Chief Executive Officer with responsibility for Strategy and Finance, Information Systems, Concessions and Real Estate Development Strategy.

On October 1, 2019, he was appointed Deputy Chief Executive Officer and Chief Financial Officer of Bouygues Group.

He has served as the permanent representative of Bouygues SA on the Company's Board of Directors since February 18, 2020.

## ARNAULD VAN EECKHOUT

Having earned two French Master 2 degrees in law, Arnauld Van Eeckhout joined the Bouygues Group in 1990 as senior French legal officer for the Channel Tunnel project. After four years in the UK, he returned to France to serve in the Bouygues Group's Legal Department, before becoming Chief Legal Officer at Bouygues Telecom in 1995.

He was named Deputy General Counsel of the Bouygues Group in October 2017.

Since June 2018, he has served as General Counsel of the Bouygues Group.

He served as an Advisory Board member from May 15, 2018 to October 1, 2019, on which date he was appointed a Director of the Company.

## COLETTE LEWINER

A graduate of the École Normale Supérieure and an *agrégée* in physics, having also earned a Ph.D. in this field, Colette Lewiner began her career as a researcher and professor at Université de Paris VII.

In 1979, she joined EDF, initially working in R&D before taking on responsibility for purchases of fuel oil and uranium.

She was named head of the Fuel Procurement Department in 1987.

In 1989, she created EDF's Development and Commercial Strategy Division and became the first woman to be named Executive Vice President by the company.

In 1992, she was appointed Chairman and Chief Executive Officer of SGN Eurisys, an engineering subsidiary of Cogema.

In 1998, she moved to Capgemini where, after heading the Energy, Utilities and Chemicals segment, she became an advisor to the Chairman of Capgemini on energy and utilities.

From 2010 to 2015, she was Non-Executive Chairman of the French broadcasting company TDF.

From 2008 to 2012, she was a member of the European Union Advisory Group on Energy.

Since 2013, Colette Lewiner has been a member of the Conseil Stratégique de la Recherche (CSR), a high-level committee set up by the French government to offer advice on its research and innovation strategy.

She has served as a Director of Colas since February 28, 2011.

## MARTINE GAVELLE

Martine Gavelle earned a DEA postgraduate degree in international and European law in 1977 and began her career at EDF in 1979.

From 1989 to 1993, she was HR Project Manager at EDF's Personnel and Labor Relations Department.

In 1993, she was appointed Regional Agency Manager for one of EDF's energy distribution network operators.

From 1999 to 2005, she served as Director of Human Resources.

In 2005, she was named Deputy Director of the Commission for Senior Executives at Gaz de France.

From 2008 to 2011, Martine Gavelle served as Talent Development Director on the Commission for Senior Executives at GDF Suez, then within its Human Resources Department from 2011 to 2013.

She has served as a Director of Colas since February 24, 2014.

## CATHERINE RONGE

A graduate of the École Normale Supérieure, Catherine Ronge is an *agrégée* in physics and holds a Ph.D. in quantum physics from Institut Européen d'Administration des Affaires (INSEAD).

She began her career in 1984 as a research engineer at the French Atomic Energy Commission (CEA).

In 1988 she joined Air Liquide, where she served first as a Research Center Team Manager and then as a Sales Manager for microelectronics in Europe, before being named Strategic Marketing Manager, reporting to Executive Management, and then Vice President, R&D and Innovation.

From 1999 to 2006 she served as Executive Vice President of Degrémont (equipment and construction for industry in Europe and North America), before serving as Chairman and Chief Executive Officer of Ondeo Industrial Solutions (engineering, equipment, services and operations for industry in Europe, Asia and North America).

In 2006, she founded Weave Air, a consultancy specialized in innovation and business transformation through design thinking and collective intelligence, and has since served as the firm's Chairman.

She has also served as a Director of Paprec since 2014 and of Eramet since 2016.

She has served as a Director of Colas since August 27, 2014.

**Offices and positions held by Directors and Advisory Board members in any company as of December 31, 2020**

## OLIVIER ROUSSAT

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Colas | SA | Chairman of the Board of Directors | 1, rue du Colonel Pierre Avia - 75015 Paris - France |
| Bouygues | SA | Deputy Chief Executive Officer | 32, avenue Hoche - 75008 Paris - France |
| Bouygues Telecom | SA | Director, Chairman | 37-39, rue Boissière - 75116 Paris - France |
| Télévision Française 1 (TF1) | SA | Director | 1, quai du Point du Jour - 92100 Boulogne-Billancourt - France |
| Bouygues Construction | SA | Director | 1, avenue Eugène Freyssinet - 78280 Guyancourt - France |
| Bouygues Immobilier | SAS | Member of the Board of Directors | 3, boulevard Gallieni - 92130 Issy-les-Moulineaux - France |

## OLIVIER BOUYGUES

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Bouygues | SA | Deputy Chief Executive Officer (until August 31, 2020)<br>Director | 32, avenue Hoche - 75008 Paris - France |
| Bouygues Construction | SA | Director | 1, avenue Eugène Freyssinet - 78065 Guyancourt - France |
| Bouygues Europe | SA | Director, Chairman of the Board of Directors (term of office expired in 2020) | 52, avenue Cortenbergh - 1000 Brussels - Belgium |
| Bouygues Telecom | SA | Director | 37-39, rue Boissière - 75116 Paris - France |
| Colas | SA | Director | 1, rue du Colonel Pierre Avia - 75015 Paris - France |
| Télévision Française 1 (TF1) | SA | Director | 1, quai du Point du Jour - 92100 Boulogne-Billancourt - France |
| Bouygues Immobilier | SAS | Member of the Board of Directors | 3, boulevard Gallieni - 92160 Issy-les-Moulineaux - France |
| Alstom | SA | Director | 3, avenue André Malraux - 92300 Levallois-Perret - France |
| SCDM Domaine | SAS | Chairman | 32, avenue Hoche - 75008 Paris - France |
| SCDM Energie Limited | Ltd | Director | 50 Cannon Street - EC4N 6JJ London - United Kingdom |
| Seci | SA | Chairman and Chief Executive Officer | 34, avenue Houdaille - Tour Sidam - BP 4039<br>Abidjan - Côte d'Ivoire |
| SCDM | SAS | Chief Executive Officer (term of office expired in 2020) | 32, avenue Hoche - 75008 Paris - France |
| SCDM Domaines | SAS | Chairman | 32, avenue Hoche - 75008 Paris - France |

## BOUYGUES SA

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Bouygues Telecom | SA | Director | 32, avenue Hoche - 75008 Paris - France |
| Bouygues Construction | SA | Director | 1, avenue Eugène Freyssinet - 78280 Guyancourt - France |
| Bouygues Immobilier | SA | Member of the Board of Directors | 3, boulevard Gallieni - 92130 Issy-les-Moulineaux - France |
| Télévision Française 1 (TF1) | SA | Director | 1, quai du Point du Jour - 92100 Boulogne-Billancourt - France |
| Alstom | SA | Director | 3, avenue André Malraux - 92300 Levallois-Perret - France |
| Colas | SA | Director | 1, rue du Colonel Pierre Avia - 75015 Paris - France |
| 32 Hoche | GIE | Director | 32, avenue Hoche - 75008 Paris - France |
| GIE Registrar | GIE | Member of the Board of Directors | 4 rue des Chauffours - 95014 Cergy Pontoise - France |
| Intrapreneuriat Bouygues | GIE | Director | 24, avenue Hoche - 75008 Paris - France |
| Organisme gestionnaire du Centre Gustave Eiffel | Nonprofit | Member of the Board of Directors | 28, route de Longjumeau - 91385 Chilly-Mazarin - France |

## PASCAL GRANGÉ *(Permanent representative of Bouygues SA)*

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Bouygues Telecom | SA | Permanent representative of Bouygues – Director | 37-39, rue Boissière - 75116 Paris - France |
| Télévision Française 1 (TF1) | SA | Permanent representative of Bouygues – Director | 1, quai du Point du Jour - 92100 Boulogne-Billancourt - France |
| Colas | SA | Permanent representative of Bouygues – Director | 1 rue du Colonel Pierre Avia - 75015 Paris - France |
| Alstom | SA | Permanent representative of Bouygues – Director | 3, avenue André Malraux - 92300 Levallois-Perret - France |
| Bouygues Immobilier | SAS | Permanent representative of Bouygues – Member of the Board of Directors | 3, boulevard Gallieni - 92130 Issy-les-Moulineaux - France |
| Bouygues Construction | SA | Permanent representative of Bouygues – Director | 1, avenue Eugène Freyssinet - 78280 Guyancourt - France |
| Bouygues Europe | SA | Director | 52, avenue Cortenbergh - 1000 Brussels - Belgium |
| Uniservice | SA | Director, Chairman | 3, rue du Conseil Général - 1203 Geneva - Switzerland |
| Bouygues | SA | Deputy Chief Executive Officer | 32, avenue Hoche - 75008 Paris - France |

## ARNAULD VAN EECKHOUT

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Financière du Rond-Point | SA | Chairman and Chief Executive Officer | 32, avenue Hoche - 75008 Paris - France |
| Financière des Chênes Verts | SA | Chairman and Chief Executive Officer | 32, avenue Hoche - 75008 Paris - France |
| Sogeby | SA | Chairman and Chief Executive Officer | 32, avenue Hoche - 75008 Paris - France |
| Colas | SA | Director | 1, rue du Colonel Pierre Avia - 75015 Paris - France |
| Bouygues Europe | SA | Director | 52 avenue Cortenbergh - 1000 Brussels - Belgium |
| Financière de l'Orée du Bois | SA | Director | 32, avenue Hoche - 75008 Paris - France |
| Société Française de Participation et de Gestion | SA | Director | 16, Impasse d'Antin - 75008 Paris - France |
| Bouygues Telecom | SA | Advisory Board member | 37-39, rue Boissière - 75116 Paris - France |
| Bouygues Construction | SA | Advisory Board member | 1, avenue Eugène Freyssinet - 78280 Guyancourt - France |
| Bouygues Immobilier | SAS | Member of the Board of Directors | 3, boulevard Gallieni - 92130 Issy-les-Moulineaux - France |
| Bouygues Relais | SNC | Joint Managing Partner | 32, avenue Hoche - 75008 Paris - France |

## MARTINE GAVELLE

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Colas | SA | Director | 1, rue du Colonel Pierre Avia - 75015 Paris - France |

## COLETTE LEWINER

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Bouygues | SA | Director | 32, avenue Hoche - 75008 Paris - France |
| Colas | SA | Director | 1, rue du Colonel Pierre Avia - 75015 Paris - France |
| EDF | SA | Director | 22-30 avenue de Wagram - 75382 Paris Cedex 2 - France |
| CGG | SA | Director | 33 Avenue du Maine - 75015 Paris - France |
| Cowin | SARL | Managing Director | 7, avenue de Suresne - 92210 Saint Cloud - France |
| Getlink SE | SE | Director | 3, rue de la Boétie - 75008 Paris - France |
| Rejale | SC | Managing Director | 10, cité Rougemont - 75009 Paris - France |

## CATHERINE RONGE

| Name of company | Type | Office or position in the company | Registered office |
|---|---|---|---|
| Colas | SA | Director | 1, rue du Colonel Pierre Avia - 75015 Paris - France |
| Inneva | SAS | Chairman | 3, rue de Chaillot - 75116 Paris - France |
| Paprec Holding | SA | Director | 7, rue du Docteur Lancereaux - 75008 Paris - France |
| Weave Air | SAS | Chairman | 37, rue du Rocher - 75008 Paris - France |
| Eramet | SA | Director | 33, avenue du Maine - 75015 Paris - France |
| Le Garrec & Cie | SA | Chairman and Chief Executive Officer | 84B, Boulevard Chanzy - 62200 Boulogne-sur-Mer - France |

### Changes in the composition of the Board since the last Shareholders' Meeting

The table below summarizes all the changes having occurred in the composition of the Board and its committees since the last Shareholders' Meeting.

| | Departure | Appointment | Renewal of term of office |
|---|---|---|---|
| **Chairman of the Board of Directors** | Olivier Roussat (February 16, 2021)<br>*NB: Olivier Roussat continues to serve as a Director* | Frédéric Gardès (February 16, 2021)<br>Term of office ends: 2023 SM | |
| **Directors** | Philippe Marien, Permanent Representative of Bouygues SA (February 18, 2020) | Pascal Grangé, Permanent representative of Bouygues SA (February 18, 2020)<br>Term of office ends: 2021 SM | / |
| | / | / | Catherine Ronge<br>Term of office ends: 2022 SM |
| | / | / | Arnauld Van Eeckhout<br>Term of office ends: 2022 SM |
| | / | Frédéric Gardès (co-opted on February 16, 2021 pursuant to paragraph 3, Article L.225-17 of the French Commercial Code) | |
| **Advisory Board member** | / | / | / |
| **Audit Committee** | / | / | / |
| **Selection and Compensation Committee** | / | / | / |
| **Ethics and Corporate Sponsorship Committee** | / | / | / |

### Resolutions concerning Board membership submitted to the Shareholders' Meeting

A proposal will be submitted to the Shareholders' Meeting of April 20, 2021 recommending:

— ratification of the decision of February 16, 2021 to co-opt Frédéric Gardès as a Director, pursuant to paragraph 3, Article L.225-17 of the French Commercial Code, for a period of two years;

— renewal of the directorship of Bouygues SA for a period of two years;

— reappointment of Olivier Bouygues as a Director for a period of two years;

— reappointment of Colette Lewiner as a Director for a period of two years;

— reappointment of Olivier Roussat as a Director for a period of two years;

— appointment of Stéphanie Rivoal as a Director for a period of two years to replace Martine Gavelle, whose term of office is due to expire at the close of the aforementioned Shareholders' Meeting.

If these resolutions are approved at the Shareholders' Meeting of April 20, 2021, the Board of Directors will then have the following members:

— Frédéric Gardès, Chairman and Chief Executive Officer;

— Olivier Roussat, Director;

— Olivier Bouygues, Director;

— Bouygues SA with Pascal Grangé as permanent representative, Director;

— Arnauld Van Eeckhout, Director;

— Colette Lewiner, Independent Director;

— Catherine Ronge, Independent Director;

— Stéphanie Rivoal, Independent Director.

## Independence of Directors

At its meeting of February 16, 2021 and as recommended by the Afep-Medef Code, the Board of Directors evaluated the situation of each of its members, after consulting with the Selection and Compensation Committee, in line with the eight independence criteria set out in the Afep-Medef Code.

| | |
|---|---|
| **Criterion 1**<br>**Employee or company officer over the last five years** | Not having been at any time over the last five years:<br>**(i)** an employee or executive company officer of Colas;<br>**(ii)** an employee, executive company officer or Director of any company consolidated by Colas;<br>**(iii)** an employee, executive company officer or Director of the parent company of Colas or of any other entity consolidated by this parent company. |
| **Criterion 2**<br>**Cross-directorships** | Not having been an executive company officer of an entity in which Colas serves, either directly or indirectly, as Director or in which an employee designated as such or an executive company officer of Colas currently serves or has served at any time over the last five years as Director. |
| **Criterion 3**<br>**Significant business relationships** | Not being (or not having direct or indirect ties to) a customer, supplier, investment banker, merchant banker or consultant:<br>**(i)** that is material for Colas or the Colas Group;<br>**(ii)** for which Colas or its group of companies represents a significant part of its business. |
| **Criterion 4**<br>**Family ties** | Having no close family ties with a company officer. |
| **Criterion 5**<br>**Statutory Auditors** | Not having acted as Statutory Auditor for Colas at any time over the last five years. |
| **Criterion 6**<br>**Service as company officer for more than 12 years** | Not having served as a Director of Colas for more than 12 years. |
| **Criterion 7**<br>**Status of non-executive company officer** | A non-executive company officer cannot be considered independent if he or she is eligible to receive variable compensation in cash or shares or any performance-linked compensation from Colas or the Group. |
| **Criterion 8**<br>**Status of major shareholders** | Directors representing major shareholders of Colas or its parent company may be considered independent if these shareholders do not hold controlling interests in Bouygues. However, in excess of the threshold of 10% of share capital or voting rights, the Board, after consulting with the Selection and Compensation Committee, systematically examines the independence determination, taking the composition of Colas' share capital into account and the existence of potential conflicts of interest. |

| | Criteria | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **Determination by the Board** |
| **Executive company officer** | | | | | | | | | |
| Frédéric Gardès<br>*Chairman and Chief Executive Officer* | | | ● | ● | ● | ● | | | Not independent |
| **Director** | | | | | | | | | |
| Colette Lewiner | | ● | ● | ● | ● | ● | ● | ● | Independent |
| Martine Gavelle | ● | ● | ● | ● | ● | ● | ● | ● | Independent |
| Stéphanie Rivoal (1) | ● | ● | ● | ● | ● | ● | ● | ● | Independent |
| Catherine Ronge | ● | ● | ● | ● | ● | ● | ● | ● | Independent |
| Olivier Bouygues | | ● | | | ● | | | | Not independent |
| Bouygues SA | | ● | | | ● | | | | Not independent |
| Olivier Roussat | | ● | | ● | ● | ● | | | Not independent |
| Arnauld Van Eeckhout | | ● | | ● | ● | ● | | | Not independent |

● *Indicates that the Director satisfies the specified criterion for independence.*

(1) *Stéphanie Rivoal's appointment as a Director to replace Martine Givalle, whose term of office expires at the close of the Shareholders' Meeting of April 20, 2021, will be proposed at that same Shareholders' Meeting.*

With respect to Criterion 3 (Significant Business Relationships), the Board made certain that none of the Directors likely to be considered independent was, or had direct or indirect ties with, a significant customer, supplier or banker of Colas or of any other entity within the Colas Group.

Drawing on the work carried out by the Selection and Compensation Committee, it examined the existing business relationships between Colas Group companies and the companies within which certain Directors hold positions or offices, on a case-by-case basis.

In accordance with the recommendations of the AMF and of the HCGE (French High Committee on Corporate Governance), the Board adopted a multi-criteria approach to assess the significant nature of each business relationship, with an emphasis on qualitative analysis. To this end, it took into account all of the following criteria:

**Qualitative criteria:**

— importance of the business relationship for each of the entities concerned (possible economic dependence between the parties, scale of operations, specificities of certain markets, direct interest of the legal entity concerned in the business relationship);

— organization of the relationship, and in particular the position of the Director concerned in the contracting company (length of service, existence of an operational function in the entity concerned, direct decision-making authority over contracts, direct interest of the Director or compensation received in connection with contracts, etc.).

In this respect, the Board referred in particular to the definition provided by the compliance program relating to conflicts of interest:

*"A conflict of interest exists whenever the personal interests of a Group employee, executive or company officer are inconsistent with or in competition with the interests of the Group company within which this individual pursues his or her professional activities. The notion of personal interests must be understood in the broadest sense of the term. They may involve the individual's direct interests (whether material or non-material), but also those of his or her family members or others with whom she or he has a close direct or indirect personal relationship."*

**Quantitative criteria:**

— revenue generated, if applicable, by Colas Group entities with entities of the group of companies with which the Director has ties, comparing this revenue figure with that of the Colas Group;

— volume of purchases made, if applicable, by the entities of the Colas Group from entities of the group of companies with which the Director has ties, comparing this volume with the total volume of purchases made by the Bouygues Group.

Based on these various criteria, the Selection and Compensation Committee provided the following information to the Board.

| | |
|---|---|
| **Colette Lewiner** | Apart from serving on the boards of Bouygues and Colas, Colette Lewiner has been a Director of Nexans since 2004, of Getlink (previously Eurotunnel) since 2011, of EDF since 2014, and of CGG since 2018.<br>In addition, she serves as advisor to the Chairman of Capgemini, a company where she has spent a large part of her career.<br>The Selection and Compensation Committee has determined that Colette Lewiner meets the independence criteria. |
| **Catherine Ronge** | Apart from serving on the Colas Board of Directors, Catherine Ronge is President of Inneva and Chief Executive Officer of Weave Air. She is also a Director of Paprec Holding and of Eramet.<br>The Selection and Compensation Committee has determined that Catherine Ronge meets the independence criteria. |
| **Martine Gavelle** | Martine Gavelle does not hold any offices or positions in any company other than Colas.<br>The Selection and Compensation Committee has determined that Martine Gavelle meets the independence criteria. |
| **Stéphanie Rivoal** (1) | As well as serving on the Colas Board of Directors, Stéphanie Rivoal is a member of the Supervisory Board of Meridiam.<br>The Selection and Compensation Committee has determined that Stéphanie Rivoal meets the independence criteria. |

*(1) Stéphanie Rivoal's appointment as a Director to replace Martine Gavelle, whose term of office expires at the close of the Shareholders' Meeting of April 20, 2021, will be proposed at that same Shareholders' Meeting.*

On the basis of this information, the Board considers that the aforementioned business relationships are not significant enough to create conflicts of interest or put into question the independence of these Directors. In any event, if a transaction involving any of the entities concerned were to be examined by the Board, the Director in question would abstain from taking part in the discussions and the vote.

Pursuant to the provisions of Article 9.3 of the Afep-Medef Code:

— for controlled companies, within the meaning of Article L.233-3 of the French Commercial Code, at least one-third of Board members must be independent;

— for companies with dispersed ownership and lacking controlling shareholders, at least 50% of Board members must be independent.

In accordance with the requirements of the Afep-Medef Code, as of February 16, 2021, 37,5% of the Company's Directors are independent (the Company being controlled by Bouygues SA).

### Diversity policy for the Board of Directors

The Board aims for balance in its composition, with an emphasis on qualifications and professional experience.

The Selection and Compensation Committee also takes this objective into account when examining any proposal for the appointment of a Director or executive company officer, and when choosing members to serve on Board committees.

At December 31, 2020:

- the average age of the Company's Directors is 64;
- the average tenure of the Company's Directors is 6.6 years;
- the Board is made up of three women and four men, giving a difference of less than two (in accordance with the provisions of Article L.225-18-1 of the French Commercial Code).

## 1.2.2. ORGANIZATION AND PROCEDURES OF THE BOARD OF DIRECTORS

### Applicable rules

The procedures of the Board of Directors are laid down by law and regulations, the Company's bylaws, and the Board's internal rules.

At its meeting of November 17, 2020, the Board of Directors amended its internal rules in light of the reform of the Afep-Medef Code of Corporate Governance.

The Board's aforementioned internal rules include the following:

- the code of ethics for Colas Directors and Advisory Board members;
- the internal rules and regulations of Board Committees.

The full text of the internal rules and regulations can be downloaded from the Company's website (www.colas.com), under "Group" and then "Corporate Governance".

### Meetings

The Board of Directors meets at least five times each year to transact ordinary business (in January, February, May, August and November):

- in January, it reviews the three-year business plan and risk mapping;
- in February, it approves the financial statements for the previous fiscal year;
- in May, it approves the financial statements to March 31;
- in August, it approves the financial statements to June 30;
- in November, it approves the financial statements to September 30.

Other Board meetings are held as and when the Group's business so requires.

The Statutory Auditors are invited to attend all Board meetings at which the annual or interim financial statements are reviewed.

Individuals not sitting on the Board may be invited to attend Board meetings in whole or in part, whether or not they belong to the Colas Group.

In light of the Covid-19 pandemic, the Board of Directors met nine times during fiscal year 2020.

| | |
|---|---|
| **January 13, 2020** | – Approval of the minutes of the meeting of the Board of Directors held on November 12, 2019<br>– 2020-2022 business plan<br>– Risk mapping<br>– Regulated agreements<br>  – Internal group charter on regulated agreements including the procedure for assessing routine agreements<br>  – Agreements entered into and authorized during previous fiscal years and remaining in force during the last fiscal year<br>– Sureties, endorsements and guarantees<br>– Any other business |
| **February 18, 2020** | – Approval of the minutes of the meeting of the Board of Directors held on January 13, 2020<br>– Position of the company and the Group<br>– Review and approval of the financial statements for fiscal year 2019 (consolidated financial statements and parent company financial statements)<br>– Proposed appropriation and distribution of earnings<br>– Review and approval of management forecasts and reports on those forecasts<br>– Definition of strategic goals (Article L.2312-24 of the French Labor Code)<br>– Annual decision about Company policy on gender equality and equal pay<br>– Governance<br>  – Term of office of Directors and Advisory Board members<br>  – Review of Directors' independence<br>  – Term of office of executive company officers<br>– Senior executive compensation<br>  – Compensation and benefits paid or awarded to company officers during or in respect of fiscal year 2019<br>  – Compensation policy<br>  – Special report relating to share subscription and/or purchase options granted to some or all salaried employees of the Company (Article L.225-184 of the French Commercial Code)<br>  – Special report on bonus awards of existing or new shares to all or some categories of salaried employees of the Company (Article L.225-197-4 of the French Commercial Code)<br>– Regulated agreements<br>– Sureties, endorsements and guarantees<br>  – Total amount of off balance sheet commitments as of December 31, 2019<br>  – Annual delegation of authority to the Chief Executive Officer<br>  – Specific commitments (not covered by the annual delegation) |

| | |
|---|---|
| **February 18, 2020** | – Share capital<br>  – Ownership as of December 31, 2019<br>  – Financial delegations and share buyback program<br>– Notice convening the Combined Shareholders' Meeting (agenda, management report, report on corporate governance, and draft resolutions)<br>– Press release<br>– Any other business |
| **March 27, 2020** | – Group position<br>– Organisation of the Combined Annual and Extraordinary Shareholders' Meeting, April 22, 2020<br>– Press release<br>– Any other business |
| **April 1, 2020** | – 2020 Group targets<br>– Amendment to the proposed appropriation of 2019 earnings to be submitted to shareholders at the Combined Shareholders' Meeting of April 22, 2020<br>– Press release<br>– Any other business |
| **May 12, 2020** | – Approval of the minutes of Board meetings held on February 18, March 27 and April 1, 2020<br>– Covid-19 update<br>– Position of the company and the Group<br>– Review of the financial statements to March 31, 2020<br>– Regulated agreements<br>– Sureties, endorsements and guarantees<br>– Press release<br>– Any other business |
| **July 27, 2020** | – Group position<br>– Group liquidity and 2020-2022 simulation<br>– Payment of dividends in respect of fiscal year 2019<br>– Compensation policy for executive company officers<br>– Organization of a Shareholders' Meeting<br>– Press release<br>– Any other business |
| **August 25, 2020** | – Approval of the minutes of Board meetings held on May 12 and July 27, 2020<br>– Position of the Company and the Group<br>– Review and approval of the (condensed) consolidated financial statements to June 30, 2020<br>– Update of management forecasts and reports on those forecasts<br>– Regulated agreements<br>– Sureties, endorsements and guarantees<br>– Press release<br>– Any other business |
| **September 2, 2020** | – Chairing of the Shareholders' Meeting of September 3, 2020 |
| **November 17, 2020** | – Approval of the minutes of Board meetings held on August 25 and September 2, 2020<br>– Position of the Company and the Group<br>– Review and approval of the (condensed) consolidated financial statements to September 30, 2020<br>– Regulated agreements<br>– Sureties, endorsements and guarantees<br>– Amendment to the Board of Directors' internal rules and regulations<br>– Press release<br>– Any other business |

## 1.2.3. ORGANIZATION AND OPERATION OF BOARD COMMITTEES

The Board is assisted in the performance of its duties by the following:

— an Audit Committee;

— a Selection and Compensation Committee; and

— an Ethics and Corporate Sponsorship Committee.

The responsibilities of these committees and their operating guidelines are defined in the Board's internal rules and regulations.

### Audit Committee

The Audit Committee meets four times a year to review the consolidated and parent company financial statements in advance of the Board of Directors' Meetings. In January, a fifth meeting of the Audit Committee was introduced, during which the business plan and risk mapping are presented.

The Audit Committee's mission is to assist the Board in guaranteeing the accuracy, reliability and fair presentation of the financial statements and the quality of the information communicated, particularly to shareholders. It reviews the interim and annual financial statements, and those for the periods ending March 31 and September 30. It ensures that accounting methods and principles are appropriate, evaluates the main financial risks, examines internal control systems, and issues recommendations. Lastly, it determines the criteria for the appointment of Statutory Auditors and is notified of their work schedules and recommendations.

As of December 31, 2020, the Committee's members were as follows:

— Bouygues SA (Committee chairman), represented by Pascal Grangé;

— Colette Lewiner;

— Catherine Ronge.

The proportion of Independent Directors on the Audit Committee is thus 66.66%.

The Audit Committee met five times during fiscal year 2020.

| | |
|---|---|
| **January 9, 2020** | – Presentation of risk mapping<br>– General information<br>– Compliance<br>– Transactions<br>– Market and countries<br>– Purchases<br>– Safety and security of people and assets<br>– Human Resources<br>– 2020 audit plan – update of risks covered |
| **February 14, 2020** | – Significant events as of December 31, 2019<br>– Comments on the financial statements as of December 31, 2019<br>– Review of significant projects as of December 31, 2019<br>– Statutory Auditors' report<br>– Services other than certification of the financial statements<br>– Draft press release<br>– Audit and Internal Control |
| **May 6, 2020** | – Significant events as of March 31, 2020<br>– Comments on the financial statements as of March 31, 2020<br>– Review of significant projects as of March 31, 2020<br>– Statutory Auditors' report<br>– Audit approach<br>– Services other than certification of the financial statements<br>– Key litigation and disputes<br>– Sundry<br>– Draft press release<br>– Audit and Internal Control |
| **August 24, 2020** | – Significant events as of June 30, 2020<br>– Comments on the financial statements as of June 30, 2020<br>– Review of significant projects as of June 30, 2020<br>– Statutory Auditors' report<br>– Draft press release<br>– Services other than statutory audit<br>– Focus on cybersecurity<br>– Audit and Internal Control |
| **November 13, 2020** | – Significant events as of September 30, 2020<br>– Comments on the financial statements as of September 30, 2020<br>– Review of significant projects as of September 30, 2020<br>– Statutory Auditors' report<br>– Draft press release<br>– Services other than statutory audit<br>– Audit and Internal Control |

## Selection and Compensation Committee

The Selection and Compensation Committee plays a key role in determining, reviewing and implementing compensation policy.

In accordance with the provisions of the Afep-Medef Code, the Selection and Compensation Committee is tasked with:

— reviewing and proposing the compensation policy for company officers to the Board of Directors, in view of its presentation at the Shareholders' Meeting;
— reviewing and proposing all components of compensation and benefits due or potentially due to executive company officers, including in particular:
  – concerning variable compensation:
    – proposing the terms for determining targets on which variable compensation is based,
    – checking each year that the rules for determining variable compensation are properly applied by ensuring that variable compensation is consistent with performance appraisals and the Company's medium- and long-term strategy,
  – concerning long-term compensation:
    – proposing long-term compensation mechanisms and defining the terms thereof,
    – reviewing share option and share plans, and proposing allotments to the executive company officers,
    – issuing proposals and overseeing the application of rules specific to the executive company officers (minimum registered shareholding, non-use of hedging mechanisms, etc.);
— issuing a recommendation on the budgeted amount of and rules for allotting compensation allocated to the Directors;
— issuing proposals on compensation and incentive systems for the Company's and the Group's key senior executives other than company officers;
— proposing a general policy on awards of share options, free shares and performance shares and determining the frequency of such awards by category of recipient;
— reviewing each year, together with the Board, draft reports on compensation paid to company officers, executive compensation policy, share options and performance shares.

As of December 31, 2020, the Committee's members were as follows:

— Colette Lewiner, Chairwoman with a casting vote;
— Arnauld Van Eeckhout.

The proportion of independent directors on the Selection and Compensation Committee is thus 50%.

The Selection and Compensation Committee met twice during fiscal year 2020.

| | |
|---|---|
| **February 17, 2020** | – Compensation in fiscal year 2019<br>– Compensation in fiscal year 2019: Senior executive's bonuses – Summary and 2018/2019 comparison<br>– Report on 2019 compensation (Articles L.225-102-1 and L.225-37 [final paragraph] of the French Commercial Code)<br>– Report on share options awarded in 2019 (Articles L.225-184 and L.225-197-4 of the French Commercial Code)<br>– Compensation in fiscal year 2020<br>– Compensation in fiscal year 2020: proposed fixed + variable compensation<br>– Calculation of 2020 bonuses<br>– Options awarded in 2020<br>– Additional pension for senior executives<br>– Group pay policy<br>– Compensation paid to Colas' key managers<br>– Individual HR records for Hervé Le Bouc, Olivier Roussat and Frédéric Gardès |
| **July 24, 2020** | – Changes to compensation policy applicable to the Chief Executive Officer |

### Ethics and Corporate Sponsorship Committee

The Ethics and Corporate Sponsorship Committee is tasked with:

- in the area of ethics:
  - helping determine rules of conduct or guidelines to inspire the behavior of executives and employees and actions to be undertaken,
  - proposing or giving an opinion on initiatives aimed at promoting exemplary professional behavior in this area,
  - ensuring compliance with the values and rules of conduct thus determined,
  - giving an opinion on measures for preventing and detecting corruption and influence peddling;
- in the area of corporate sponsorship:
  - issuing recommendations regarding rules the Company must follow,
  - verifying that its recommendations have been implemented and overseeing implementation of these actions.

The committee's members are as follows:

- Arnauld Van Eeckhout, Chairman;
- Martine Gavelle;
- Colette Lewiner.

The proportion of Independent Directors on the Ethics and Corporate Sponsorship Committee is thus 66.66%.

The Ethics and Corporate Sponsorship Committee met twice during fiscal year 2020.

| | |
|---|---|
| **February 14, 2020** | – 2019 review/2020 action plan<br>– AFA audit<br>– Patronage and sponsorship<br>– Appendices |
| **September 17, 2020** | – Organization of compliance<br>– Action plan follow-up and recent developments<br>– New construction projects<br>– AFA inspection<br>– Key operational issues |

## 1.2.4. DIRECTORS' ETHICS

The Company's Directors are subject to all the ethical rules laid down in paragraph 20 of the Afep-Medef Code and in the code of ethics set out in the appendix to the Board of Directors' internal rules and regulations.

The aforementioned code of ethics includes detailed instructions relating, in particular, to Directors' duty of disclosure, the duty to attend meetings, limits on multiple directorships, prevention and handling of conflicts of interest, Directors' shareholdings in the company and protecting confidentiality, as well as detailed measures to prevent insider dealing.

Rules of prevention as regards stock market ethics and conflicts of interest are specified in compliance programs.

### Potential conflicts of interest

Directors make sure not to engage in any activity that could generate a conflict of interest with the Company. Notably, Directors do not hold any interests or investments in customers, suppliers or competitors of the Company, where such interests or investments could influence the way a Director performs his/her Board duties.

Directors and company officers have agreed to inform the Board of Directors of any existing or potential conflict of interest between their duties to the Company and their private interests and/or other duties. Directors have also agreed not to take part in voting or debate on any decision that concerns them directly or indirectly. If called for, the Director concerned may have to refrain from attending meetings of the Board of Directors as long as such decisions are being made and, where applicable, for the duration of voting on the resolutions. He/she may also have to forego access to any related documents or information brought to the attention of the other Directors.

The Statutory Auditors' special report on regulated agreements and commitments covers the agreements and commitments submitted for authorization by the Board and on which some Directors have abstained from voting because of existing or potential conflicts of interest.

## Attendance of Members of the Board of Directors

The internal rules and regulations encourage all Directors to devote the necessary time and attention to their duties. Directors must be assiduous and regularly attend meetings of the Board of Directors and any Committees on which they sit. Directors' compensation includes a 60% variable portion calculated on the basis of attendance at meetings.

| | Attendance at Board meetings | | | | | | | | | Attendance at Audit Committee meetings | | | | | Attendance at Selection and Compensation Committee meetings | | Attendance at Ethics and Corporate Sponsorship Committee meetings | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | January 13 | February 18 | March 27 | April 1 | May 12 | July 27 | August 25 | September 2 | November 17 | January 9 | February 14 | May 6 | August 24 | November 13 | February 17 | July 24 | February 14 | September 17 |
| **Executive company officer** | | | | | | | | | | | | | | | | | | |
| Olivier Roussat | ● | ● | ● | ● | ● | ● | ● | × | ● | | | | | | | | | |
| **Directors/Advisory Board members** | | | | | | | | | | | | | | | | | | |
| Colette Lewiner | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Martine Gavelle | ● | ● | ● | ● | ● | ● | ● | ● | ● | | | | | | | | ● | ● |
| Catherine Ronge | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | | | | |
| Olivier Bouygues | ● | ● | ● | ● | ● | ● | ● | ● | ● | | | | | | | | | |
| Bouygues SA<br>Represented by Philippe Marien | ● | ● | ● | ● | ● | ● | ● | | | ● | ● | | | | | | | |
| Bouygues SA<br>Represented by Pascal Grangé | | | ● | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | | | | |
| Arnauld Van Eeckhout | ● | ● | ● | ● | ● | ● | ● | ● | ● | | | | | | ● | ● | ● | ● |
| **Attendance rate** | **98.42%** | | | | | | | | | **100%** | | | | | **100%** | | **100%** | |

● *Directors/Advisory Board members present.*
× *Directors/Advisory Board members absent.*
*(shaded) Directors/Advisory Board members not concerned.*

## Procedure for assessing routine agreements

In accordance with the provisions of Article L.22-10-13 of the French Commercial Code as amended by the Pacte Law, the Board of Directors, at its meeting on January 13, 2020, adopted an internal charter on regulated agreements including a procedure for assessing routine agreements.

An outline of the procedure is as follows:

— scope: the procedure applies within the Company prior to the conclusion of any agreement and whenever any previously concluded agreement is amended, renewed – including by tacit agreement – or terminated;

— prior notification of the Legal and Compliance Department: prior to any transaction that might constitute a regulated agreement, the Legal and Compliance Department must immediately be notified by:
  - any person directly or indirectly affected who is aware of a planned agreement that might constitute a regulated agreement, and
  - more generally, any Group entity (operational or functional department) that is aware of a planned agreement that might constitute a regulated agreement;

— competent body:

It is up to the Legal and Compliance Department and the Group General Secretary, where applicable, potentially with the support of the Finance Department, to decide whether an agreement should be classified as an agreement relating to a routine transaction and entered into at arm's length or a regulated agreement.

When an agreement is entered into between the Company and its parent company Bouygues SA, this assessment is made by the General Secretary of Bouygues SA.

If there is any doubt as to how an agreement should be classified, the Statutory Auditors may be asked for their opinion;

— reviewing the classification of an agreement:

The classification of any new agreement is reviewed in light of a list of categories of agreement drawn up by the Group and assumed to be routine in nature.

Examples:
  - employee secondment agreements (very common and charged to the user company at cost),
  - financial transactions (loans, advances, guarantees, cash pooling agreements, etc.); the terms should reflect, for example, the average cost of credit obtained by the parent company or subsidiary in the market,
  - agreements to transfer or sell shares to a company officer in connection with the performance of his/or duties,
  - free-of-charge domiciliation agreements; and guarantee remuneration agreements (at terms reflecting those available in the market).

When assessing "arm's length" conditions in relation to the amount charged, charging at cost price or with a reasonable margin to cover unallocated indirect costs may be considered commensurate with arm's length conditions; conversely, charging a flat amount not based on any objective cost information cannot be considered commensurate with arm's length conditions.

In accordance with the provisions of Article L.225-39 paragraph 2 of the French Commercial Code, persons directly or indirectly affected by an agreement may not be involved in assessing that agreement or take part in the associated discussion.

If, having completed its assessment, the Legal and Compliance Department finds that an agreement is a regulated agreement, the monitoring procedure will then be applied, under the latter's supervision.

The full text of the code of ethics is available from the Company's website (www.colas.com, under "Group" and then "Corporate Governance").

# 1.3. Non-discrimination policy and gender representation within executive bodies

## 1.3.1. POLICY ON GENDER DIVERSITY WITHIN EXECUTIVE BODIES

In accordance with the provisions of Article 7 of the Afep-Medef Code and at the proposal of the Company's Executive Management, the Board of Directors, at its meeting of February 16, 2021, adopted a specific plan to achieve balanced gender representation within the Company's and the Group's executive bodies (Strategic Committee and Executive Management Committee).

| Indicators | Scope | Start date 12/31/2020 | Target 12/31/2021 | Target 12/31/2022 | Target 12/31/2023 |
|---|---|---|---|---|---|
| % female managers (and international equivalent) | World | 17.32% | 18.00% | 18.50% | 19.00% |
| % female "high-flier" managers | World | 6.90% | 8.00% | 9.00% | 10.00% |
| % of female managers | World | 8.9% | 9.50% | 10.50% | 12.00% |
| % female members of Executive Committee/Executive Management Committee | France | 6.7% | 13.30% | 13.30% | 20% |

Executive Management thus confirmed its conviction that gender equality and equal pay within the company are drivers of progress and stability at all levels that contribute to business performance and enhance individual and collective well-being.

In particular, it has implemented a number of initiatives aimed at promoting diversity and combating discrimination within the Group.

This diversity policy is notably aimed at attracting, recruiting, retaining and promoting more women, in particular by ensuring that, for a given level of skills, women enjoy the same career opportunities and compensation as men.

One of the goals of this policy is to identify and develop new talent and increase the proportion of women in management; this should eventually be reflected in the membership of Committees reporting to Executive Management.

## 1.3.2. DIVERSITY POSITION IN THE TOP 10% MOST SENIOR POSITIONS

In the absence of any legal definition of the "top 10% most senior positions", the Company considers it reasonable to take the notion of "manager" used across the Group (not only the Company itself), which encompasses employees with the status of "head of department" or above.

This gives the following proportions of female managers across the Group:

— Worldwide scope: 9.6% in 2020 (vs 10.4% in 2019);

— France scope (Mainland and Overseas France): 9% (vs 8.9% in 2019).

# 1.4. Corporate governance code

The Company refers to the Afep-Medef corporate governance code for listed companies.

This code was updated in January 2020. It is published on the Medef website, www.medef.com, the Afep website, www.afep.com, and the Company's website (www.colas.com) as an appendix to the Board of Directors' internal rules and regulations (in the "Group" section, under "Corporate Governance").

In accordance with the "comply or explain" rule laid down in Article L.22-10-10 of the French Commercial Code and referred to in Article 27.1 of the Afep-Medef Code, the Company considers that it is compliant with the recommendations of the Afep-Medef Code (in the version applicable in 2020) with the exception of the following provisions:

| Recommendations of the Afep-Medef Code not implemented by the Company | Explanation |
|---|---|
| **4.6. In this regard:**<br>– […]<br>– the company's ratings issued by financial rating agencies, and any changes in those ratings during the fiscal year, should be published. | The Company does not seek a rating from any financial rating agency. |
| **16.2.2. Succession for executive company officers**<br>The appointments committee (or an ad hoc committee) should draw up a succession plan covering the executive company officers. This is one of the committee's key tasks, though the Board may, as the case may be, choose to entrust it to an ad *hoc committee*. The chairman may sit on the committee or take part in its work as it performs this duty. | The Committee works to propose and ensure coherent and effective succession planning whenever the need arises.<br>The Company implements the Group's more general strategy of identifying and developing talent and favoring internal promotion. |
| **16.3. Operational arrangements (Committee with responsibility for appointments)**<br>The executive director is involved in the work of the appointments committee. Where the roles of chairman and chief executive officer are separate, the non-executive chairman may be a member of this committee. | To date, the Company's Board of Directors has not deemed it appropriate to invite the senior executive officer to attend meetings of the Selection and Compensation Committee.<br>However, the executive director may be consulted in advance of or during any such meeting, if the members of the Selection and Compensation Committee consider it necessary. |
| **17.1. Membership (Compensation committee)**<br>The committee must not include any executive director and should consist mainly of Independent Directors. It is recommended that the committee be chaired by an Independent Director and have a salaried Director as one of its members. | On February 16, 2021, the Company's Board of Directors decided to appoint to the Selection and Compensation Committee, with effect from the end of the Shareholders' Meeting of April 20, 2021 and subject to the shareholders' decision on the terms of office of directors and the remaining term of office of each director:<br>– Colette Lewiner (Chairman);<br>– Arnauld Van Eeckhout;<br>– Catherine Ronge.<br>The majority of the members of the Selection and Remuneration Committee will therefore be Independent Directors, in accordance with the recommendation of the Afep-Medef Code. |
| **19. All Directors of listed companies are bound by the following obligations:**<br>– […]<br>– unless otherwise provided by law, Directors should personally be shareholders and, pursuant to the provisions laid down in the company's bylaws or internal rules and regulations, hold a minimum number of shares that is material in light of the amount of Directors' fees allotted. If a Director does not hold these shares upon taking up his/her position, he/she should use his/her Directors' fees to buy them.<br>Directors should disclose this information to the company, which should include it in its report on corporate governance. | Given its ownership structure (96.81%-owned by Bouygues SA), the Company does not consider it necessary for Directors to hold a minimum number of shares of the Company.<br>However, the Board of Directors' internal rules and regulations recommend that each Director symbolically hold at least one share of the Company. |
| **23. Requirement for executive company officers to hold shares**<br>The Board of Directors determines a minimum number of shares that must be held in registered form by the executive company officers until their term of office expires. This decision is reviewed at least each time an executive company officer is reappointed. | Given its ownership structure (96.81%-owned by Bouygues SA), the Company does not consider it appropriate to require the executive company officers to hold a minimum number of shares of the Company. |
| **25.1.1. Role of the Board of Directors**<br>The Board discusses the performance of the executive directors without the latter being present. | The Board of Directors does not consider it necessary for executive directors to leave the room when their performance is discussed.<br>On the contrary, the Board of Directors considers that the latter's presence allows for open and more constructive dialogue.<br>The Board of Directors nevertheless reserves the right to review its position at any time and to ask the executive directors to leave a Board meeting while their performance is discussed. |

# 2. Compensation of Executive company officers and Directors

This section includes all related reporting required by the French Commercial Code, as well as tables recommended by the Afep-Medef Code of Corporate Governance or by the AMF in its publications concerning the company officer compensation disclosures to be provided in French reports on corporate governance.

Acting on the Selection and Compensation Committee's proposal, the Board of Directors determines the compensation policy (2.1. Compensation policy).

Pursuant to the provisions of Article L.22-10-8 of the French Commercial Code, the Board of Directors presents at the Shareholders' Meeting all compensation paid or granted to each company officer for the fiscal year (2.2. Total Compensation of company officers in 2020).

## 2.1. Compensation policy for all company officers

This compensation policy was drawn up based on the information required by Article L.22-10-8 of the French Commercial Code.

It was signed off by the Board of Directors at its meeting of February 16, 2021 at the recommendation of the Selection and Compensation Committee, as part of the changes in governance.

At that meeting, the Board of Directors decided, at the recommendation of the Selection and Compensation Committee, to appoint the Chief Executive Officer, Frédéric Gardès, as Chairman of the Board of Directors.

The Group's governance structure in fiscal year 2021 thus falls into two periods:

— from January 1, 2021 until the Board meeting of February 16, 2021, a structure consisting of a Chairman of the Board of Directors (Olivier Roussat) and a Chief Executive Officer (Frédéric Gardès);

— from the close of the Board meeting of February 16, 2021, a changed governance structure with a Chairman and Chief Executive Officer (Frédéric Gardès).

As well as providing an overview of the general principles of compensation policy applicable to all company officers (2.1.1), the following sections cover:

— compensation policy specific to each executive company officer (2.1.2.1);

— compensation policy applicable to Directors and Advisory Board members, if any (2.1.2.2).

This compensation policy is subject to approval at the Shareholders' Meeting to be held on April 20, 2021 (via Resolutions 5 and 6).

### 2.1.1. COMPENSATION POLICY FOR ALL COMPANY OFFICERS

This compensation policy is line with the compensation policy approved at the Shareholders' Meeting of April 22, 2020 and amended at the Shareholders' Meeting of September 3, 2020.

For the purposes of this compensation policy, and pursuant to the provisions of the Afep-Medef Code, "executive company officers" encompasses the Chief Executive Officer and the Chairman of the Board of Directors. The executive company officers and the Directors are together referred to as "company officers".

#### General principles for determination, review and implementation of the compensation policy for company officers

##### Alignment with the Company's interests and contribution to its commercial strategy and long-term viability

The Board of Directors seeks to ensure that compensation policy applicable to company officers is aligned with the Company's interests and commercial strategy and promotes the Company's long-term performance and competitiveness so as to secure its long-term viability.

##### Determining the compensation policy

The compensation policy determined by the Board of Directors, at the recommendation of the Selection and Compensation Committee, includes incentives reflecting the Group's business strategy focused on delivering sustainable profitable growth by acting responsibly in keeping with the interests of the company and all stakeholders.

###### Compliance

In conducting its analysis and making its proposals to the Board of Directors, the Selection and Compensation Committee is careful to abide by the recommendations of the Afep-Medef Code, which the company seeks to observe.

###### Comparability and balance between components of compensation

In determining compensation policy, the Board of Directors takes into account the level and difficulty of the responsibilities entrusted to company officers, in line with observed practice at groups carrying on comparable business, and seeks to ensure an appropriate balance between fixed, variable and long-term compensation. This compensation policy is clearly motivated by and determined in accordance with the interests of the company.

### Consistency and intelligibility of rules

The Board of Directors, at the recommendation of the Selection and Compensation Committee, strives to implement a compensation policy for company officers that is simple, understandable and consistent with the policy applicable to the Group's senior executives and employees.

### Exhaustiveness

An exhaustive breakdown of the structure of incentive-based compensation, in keeping with the interests of the company, is as follows:

- fixed compensation;
- annual variable compensation;
- long-term compensation;
- compensation in respect of duties as a Director;
- stock options;
- limited benefits in kind; and
- pension add-on.

Severance benefits may be paid in respect of salaried employment within the Group, excluding any period of service as a company officer, in keeping with the French Labor Code and the national collective bargaining agreement applied by the company concerned.

No non-compete compensation is paid to company officers when their term of office expires.

### Performance and measurement

Specific and demanding quantifiable and/or qualitative performance criteria are determined for variable compensation to help maintain a link between the Group's performance and compensation paid to company officers from a short-, medium- and long-term perspective.

These performance criteria take into account the interests of the Company and observed practice at groups carrying on comparable business.

## Review of the compensation policy

The Board of Directors regularly reviews the Group's compensation policy at the proposal of the Selection and Compensation Committee, in keeping with the principles laid down in applicable law and the Afep-Medef Code.

Each year, the Selection and Compensation Committee proposes and monitors the rules used to determine compensation payable to company officers, together with benefits of any kind made available to them, and the variable component of compensation paid to company officers, ensuring the latter is consistent with company officers' appraised performance and the Group's medium-term strategy.

Each review of compensation policy takes into account the need to reinvest profits into employee benefits so as to attract and retain talent; examples of such benefits include high-quality health insurance, personal risk cover, agreements in favor of work-life balance, supplementary pensions and training.

## Implementation of compensation policy

The Selection and Compensation Committee presents a report on its work in accordance with its role as defined in the Board's internal rules.

The Board of Directors is responsible for determining fixed and variable compensation, benefits in kind and, where applicable, pension rights and benefits awarded to company officers.

The Board of Directors makes reasoned decisions based on proposals put forward by the Selection and Compensation Committee, taking an overall view of the compensation awarded to each company officer and seeking to strike a fair balance between the general interest, market practice and individual executives' performance.

The Board of Directors may only diverge from the compensation policy temporarily, in keeping with the interests of the company and for the sole purpose of ensuring the Group's viability and long-term success.

The Group strives to ensure that employees are fairly rewarded and the process for deciding on pay increases involves all relevant parties: local management, Human Resources managers, trade unions and employee representatives, and executives. The Group's compensation process thus takes into account performance criteria covering more than half of the criteria chosen for management (performance in years Y-1, Y-2 and even Y-3 for company officers).

The Board's decisions comply with the recommendations laid down in the Afep-Medef Code and recommendations issued by the AMF.

## Managing conflicts of interest

To safeguard against conflicts of interest, at least one-third of the Board's members are Independent Directors.

The Selection and Compensation Committee discusses Directors' independence:

- whenever a Director is appointed;
- annually for all Directors.

A Director is independent if he or she has no relationship of any kind with the Company, the Group or its senior management that might compromise his or her freedom of judgment.

In accordance with the code of ethics for the Group's Directors and Advisory Board members, each Director and Advisory Board member must comply with the recommendations laid down in Article 19 of the Afep-Medef Code.

Directors and Advisory Board members make sure not to engage in any activity that could generate a conflict of interest.

They undertake to inform the Chairman of the Board of Directors of any actual or potential conflict of interest between their duties to the Group and their private interests and/or other duties and, for Directors, not to take part in votes on any matters that directly or indirectly concern them.

In such a case, the Director or Advisory Board member concerned may have to refrain from attending meetings of the Board of Directors as long as such decisions are being made and, where applicable, for the duration of voting on the resolutions. He or she may also have to forego access to any related documents or information brought to the attention of the other Directors or Advisory Board members.

The Chairman of the Board of Directors may at any time ask Directors and Advisory Board members to provide a written statement confirming that they are not involved in any conflict of interest.

### Role of the Selection and Compensation Committee

The Selection and Compensation Committee plays a key role in determining, reviewing and implementing compensation policy.

Its key responsibilities are set out above (1.2.3. Organization and operation of Board Committees).

## Employee compensation

The Group is well aware that its success and progress depend on the skills and attitudes of its people. It is therefore careful to implement, across all entities and all countries, a compensation policy aimed at rewarding those who achieve or exceed individual and shared targets.

Compensation policy is determined, reviewed and implemented in keeping with the wider compensation policy of Bouygues Group, which aims to give employees a stake in the company's performance.

All Colas Group employees in France are covered by mandated and/or discretionary profit-sharing agreements, with appropriate specific agreements in place outside France. The aforementioned agreements are directly linked to exceeding financial performance targets, and the indicators used are chosen from among those used to determine variable compensation payable to Colas Group senior executives.

Bouygues SA regularly undertakes capital increases reserved for employees, including employees of Colas Group. In 2020, stock options were awarded to more than 304 executives and managers confirmed as high potential.

## Assessment of performance criteria

Each year, the Selection and Compensation Committee reviews and evaluates the rules used to determine variable compensation awarded to executive company officers.

The Committee uses simple, transparent and demanding objective criteria to assess the performance criteria used to determine both annual variable compensation and long-term compensation awarded to the executive company officers, drawing on internal and external quantitative and qualitative performance criteria determined on the basis of market surveys. These criteria are entirely consistent with the trajectory set out in the business plan.

For each financial criterion, a formula approved by the Board of Directors is used to calculate the amount of variable compensation payable (up to a specified maximum amount), taking into account achievement against target based on the consolidated financial statements for the year. Where performance exceeds target, the value of the variable component is adjusted upwards, subject to the upper limit set for each criterion. Where performance falls below the lower limit set for each target, the variable component corresponding to that criterion is zero.

## Breakdown of annual fixed amount awarded to Directors and Advisory Board members by the Shareholders' Meeting

The Selection and Compensation Committee issues proposals on the system for compensating the Group's company officers. In particular, it makes a recommendation on the total budgeted amount to be allotted to the Directors and any Advisory Board members and how this is to be apportioned.

The Board of Directors determines the amount of compensation to be paid to the Directors and any Advisory Board members in respect of their participation in the work of the Board and its committees, subject to the limit determined by the shareholders.

Compensation allotted to the Directors and any Advisory Board members is broken down as follows:

- a fixed component of 40%;
- a variable component of 60% calculated on the basis of attendance at the five meetings of the Board of Directors, the five meetings of the Audit Committee, the meeting of the Selection and Compensation Committee and the two meetings of the Ethics and Corporate Sponsorship Committee (variable compensation is not payable in respect of extraordinary meetings of the Board or any of its committees).

The fixed amount thus determined is the same for all Directors and Advisory Board members.

## Waiver of compensation policy

In exceptional circumstances, the Board of Directors, at the proposal of the Selection and Compensation Committee, may, in accordance with the provisions of Article L.22-10-8 of the French Commercial Code, waive application of the compensation policy provided such waiver is temporary, in keeping with the Company's interests and necessary to secure the Company's long-term viability.

Such exceptional circumstances could, in particular, arise from an unforeseen change in the competitive environment, a significant change in the Group's scope following a merger or disposal, the acquisition or creation of a significant new business or the discontinuation of a significant business, a change in accounting methods or a major event affecting markets, the economy and/or the Group's industry sector.

In such cases, the Board of Directors may, after consulting the Selection and Compensation Committee, adjust the criteria and performance conditions attached to annual and multi-year variable share-based compensation, with the proviso that the upper limit on such compensation may not be amended in any circumstances.

Any such adjustments must be duly justified and implemented with the utmost rigor. Annual variable compensation must be put to the vote at the Shareholders' Meeting and may not be paid unless passed at that meeting.

Any such changes must ensure that the interests of shareholders and beneficiaries remain aligned.

### Taking into account recent shareholders' votes

At the Annual Shareholders' Meeting of April 22, 2020, the shareholders approved Resolution 7 on information laid down in Article L.22-10-9 of the French Commercial Code relating to components of compensation paid or allotted to company officers in respect of the fiscal year ended December 31, 2019.

At that same meeting, the shareholders also approved the compensation policy for 2020 (Resolutions 5 and 6) as well as the fixed and variable components making up total compensation and benefits paid or allotted to each company officer in respect of the fiscal year ended December 31, 2019 (Resolutions 8 to 10).

At the Shareholders' Meeting of September 3, 2020, the shareholders approved changes to the Chief Executive Officer's compensation to reflect the exceptional circumstances surrounding the Covid-19 pandemic (Resolution 3).

Given these positive votes and the change of governance that took place on February 16, 2021, the Board of Directors, at the proposal of the Selection and Compensation Committee, decided:

— to apply to the Chairman of the Board of Directors (Olivier Roussat), on a pro rata basis for the period from January 1 to February 16, 2021, the compensation policy applicable to the Chairman of the Board of Directors in 2020;
— to propose a new compensation policy for fiscal year 2021 applicable to both the Chief Executive Officer (for the period from January 1 to February 16, 2021) and the Chairman and Chief Executive Officer (with effect from February 16, 2021), both offices being held by the same person (Frédéric Gardès).

### Changes to compensation policy

At its meeting of February 16, 2021, the Board of Directors decided to review the compensation policy approved at the Shareholders' Meeting of April 22, 2020 and updated at the Shareholders' Meeting of September 3, 2020 in light of the exceptional circumstances surrounding the Covid-19 pandemic, notably to reflect changes in the governance structure and, in particular, the decision to combine the roles of Chairman of the Board of Directors and Chief Executive Officer with immediate effect.

Olivier Roussat stepped down as Chairman of the Board of Directors, while Frédéric Gardès was co-opted as a Director and appointed the Company's Chairman and Chief Executive Officer.

The Board of Directors thus proposes that the shareholders agree to amend compensation policy to reflect these changes.

In addition to the change in governance structure, changes have also been made to the components of executive company officers' compensation to ensure that their interests are aligned with those of shareholders. The Company has opted for a system based on Bouygues SA shares to ensure that the interests of executive company officers are aligned with those of the Group and its shareholders (specifically by putting in place a free performance share award plan for executive company officers and a pension plan in the form of performance shares). To comply with the recommendations of the HCGE (French High Committee on Corporate Governance), the Company has increased the weighting allocated to the non-financial criteria used to determine variable compensation by precisely defining all criteria, including in particular the environmental criterion. Lastly, to more fully align the compensation policy for executive company officers with the Company's strategy, a new strategic criterion linked to the achievement of a specific target has been added to the criteria upon which annual variable compensation is based.

Full details of all these changes are set out below.

### Application of compensation policy for recently nominated company officers

Should the governance structure change and a new executive company officer be appointed during fiscal year 2021, the principles, criteria and components of compensation laid down in the 2021 compensation policy shall apply to that executive company officer.

More specifically, should a new Chief Executive Officer be appointed, the principles, criteria and components of compensation laid down in the compensation policy applicable to the Chief Executive Officer would apply.

Should the roles of Chairman and Chief Executive Officer be separated, the principles, criteria and components of compensation laid down in the compensation policy applicable to the Chairman and Chief Executive Officer would be adapted by the Board of Directors, at the proposal of the Selection and Compensation Committee, to reflect this change.

In any event, the Board of Directors, at the recommendation of the Selection and Compensation Committee, may adapt both the level and the structure of compensation to reflect the recipient's circumstances, experience and responsibilities.

Any resulting significant changes to compensation policy shall apply pending approval at a Shareholders' Meeting.

## 2.1.2. COMPENSATION POLICY SPECIFIC TO EACH COMPANY OFFICER

The Board of Directors, at the recommendation of the Selection and Compensation Committee, has approved the criteria and methods set out below for determining, apportioning and awarding fixed, variable and exceptional components of total compensation and benefits of any kind attributable to each company officer in respect of fiscal year 2021.

### 2.1.2.1. Compensation policy applicable to executive company officers in 2021

Compensation arrangements for executive company officers for fiscal year 2021, reflecting the change in governance that took place on February 16, 2021 (when the roles of Chairman of the Board of Directors and Chief Executive Officer were combined), are detailed below.

#### 2.1.2.1.1. Compensation policy applicable to the Chairman of the Board of Directors from January 1 to February 16, 2021

Fixed annual compensation payable to the Chairman of the Board of Directors is €150,000 (unchanged). Given the change in the Chairman's duties, the amount of such compensation shall be calculated on a pro rata basis for the period expiring February 16, 2021.

Apart from compensation in respect of his service as a Director of the Company, the Chairman receives no other compensation in respect of his office as Chairman of the Board of Directors.

### 2.1.2.1.2. Compensation policy applicable to the Chief Executive Officer from January 1 to February 16, 2021 and to the Chairman and Chief Executive Officer with effect from February 16, 2021

At its meeting of February 16, 2021, at the recommendation of the Selection and Compensation Committee, the Board of Directors proposed a compensation policy for fiscal year 2021 applicable to both the Chief Executive Officer (for the period from January 1 to February 16, 2021) and the Chairman and Chief Executive Officer (with effect from February 16, 2021), both offices being held by the same person (Frédéric Gardès).

#### Terms of office and employment contracts

Frédéric Gardès was appointed Chief Executive Officer on May 14, 2019 and Chairman of the Board of Directors on February 16, 2021. His term of office as Chairman and Chief Executive Officer will expire at the close of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the fiscal year ending December 31, 2022.

The Chairman and Chief Executive Officer's appointment may at any time be revoked by the Board of Directors.

Frédéric Gardès has had no employment contract with the Company since his appointment as Chief Executive Officer on May 14, 2019. He has been an employee of Bouygues SA since that date.

#### Total compensation and benefits in kind

**Fixed compensation**

Fixed compensation is determined based on the level and difficulty of responsibilities, experience in the job and seniority in the Group, as well as practices documented at companies or groups of companies whose business activities are comparable.

The amount of gross annual fixed compensation payable to Frédéric Gardès in respect of fiscal year 2021 is €920,000.

**Annual variable compensation**

***Criteria for annual variable compensation***

The Board of Directors and the Selection and Compensation Committee seek to ensure that variable compensation payable to the Chief Executive Officer is consistent with the Company's performance targets and thus aligned with the Company's interests and medium- and long-term commercial strategy.

Variable compensation is expressed as a percentage of fixed compensation (FC). Variable compensation awarded in respect of a given fiscal year is capped at a percentage of fixed compensation.

The Board of Directors has decided that the criteria upon which annual variable compensation is based shall be determined as follows:

| | |
|---|---|
| **P1** | Group free cash flow before working capital requirement |
| **P2** | Group net surplus cash/net debt (excluding significant acquisitions) |
| **P3** | Group current operating margin |
| **P4** | Net consolidated profit attributable to the Group |
| **P5** | Strategic targets concerning the management of major projects (change in FDC margin between end-2020 and end-2021) |
| **P6** | Non-financial criteria linked to the Group's performance in the areas of compliance and CSR and an overall appraisal of the executive's management performance.<br>Non-financial criteria are weighted as follows:<br>— compliance (10% of FC):<br>– implementation and follow-up of the report produced by Agence Française Anticorruption (AFA, the French anti-corruption authority),<br>– communication by the Chairman and Chief Executive Officer on compliance (traceability),<br>– monitoring of sanctions in the event non-compliance;<br>— social and environmental responsibility (15% of FC):<br>– Health and safety: an improvement in the occupational accident frequency rate relative to fiscal year 2020, in accordance with the plan set out by the Group,<br>– Climate and environment plan: a reduction in the percentage of reclaimed asphalt pavement used in asphalt mixes, in accordance with the plan set out by the Group,<br>– Diversity: in the 2021-2023 "world" diversity plan, set out by the Board of Directors at its meeting of February 16, 2021 and monitored through two indicators (% female managers and % female members of executive bodies) ;<br>— management performance, notably as assessed through organizational arrangements put in place during the public health crisis, employee engagement and participation in Group-wide projects (15% of FC).<br>The Board of Directors reserves the overarching right to reduce the weighting accorded to performance on non-financial criteria, or to discount performance on non-financial criteria altogether, should serious events occur during the fiscal year. |

After consulting the Selection and Compensation Committee, the Board of Directors may waive the criteria set out above in accordance with the conditions laid down in the second paragraph of Article L.22-10-8 III of the French Commercial Code and the exemption clause set out in section 2.1.1 of this report on corporate governance.

*Method for determining 2021 annual variable compensation*

The method used to determine variable compensation payable to the Chairman and Chief Executive Officer is based on the six separate criteria (P1 to P6) defined above.

Variable compensation for 2021 will be determined by performance calculated on the basis of three predefined bounds for each of the criteria (see methodology and the weighting applied to each criterion below). This means failure to achieve any one target makes it impossible to achieve the maximum amount of variable compensation.

*P1, P2, P3, P4 and P5*

The payment of each of the five bonuses P1, P2, P3, P4 and P5 depends on performance achieved during the fiscal year. It is expressed as a percentage of fixed compensation (% of FC).

Three bounds have been determined for each criterion:

- a lower bound determining the threshold at which the bonus is triggered. This is based on overall performance against this indicator in 2020;
- an intermediate bound corresponding to the expected performance outlook in 2021, well above that of 2020 but below that achieved in 2019;
- an upper bound representing performance over and above the financial targets applicable to the intermediate bound.

Each bonus (P1, P2, P3, P4 and P5) is calculated as follows:

1. **If the lower bound is reached:**
   - P1 = 10% of FC
   - P2 = 10% of FC
   - P3 = 15% of FC
   - P4 = 10% of FC
   - P5 = 7.5% of FC

   Total = 52.5% of FC
2. **If the intermediate bound is reached:**
   - P1 = 20% of FC
   - P2 = 20% of FC
   - P3 = 30% of FC
   - P4 = 20% of FC
   - P5 = 15% of FC

   Total = 105% of FC
3. **If the upper bound is reached:**
   - P1 = 30% of FC
   - P2 = 25% of FC
   - P3 = 35% of FC
   - P4 = 25% of FC
   - P5 = 15% of FC

   Total = 130% of FC

Between these bounds, the actual weighting applied to each bonus (P1, P2, P3, P4 and P5) is determined using linear interpolation. If the lower bound is not reached, P is equal to zero.

*P6*

The Board of Directors defines the effective weighting of P6 without going over the cap of 40% of FC.

*Cap*

The sum total of the six bonuses P1, P2, P3, P4, P5 and P6 calculated using the above method can never go over a cap of 170% of fixed compensation.

*Payment conditions*

The variable component payable in respect of a given office is determined by the Board of Directors when it approves the financial statements for the year in question. In accordance with Articles L.225-100 and L.22-10-34 of the French Commercial Code, variable compensation in respect of 2021 is subject to approval at the Shareholders' Meeting to be called in 2022 to approve the financial statements for fiscal year 2021. It will be paid once approved by the shareholders.

There are no other potential deferment periods.

*Leaving office*

If the Chairman and Chief Executive Officer leaves office in the course of a fiscal year, the amount of variable compensation payable in respect of the current fiscal year will be determined pro rata based on his/her time in office during the fiscal year in question as well as on his/her observed performance, as appraised by the Board of Directors against each of the originally selected criteria.

**Long-term compensation**

The Chief Executive Officer is eligible for long-term compensation.

Frédéric Gardès qualifies for long-term compensation, in the form of deferred conditional allotments of existing free shares in Bouygues SA, with the aim of more closely aligning the interests of executive company officers with those of the shareholders, notably taking into account the Company's stock market performance.

Under this long-term compensation plan, a maximum of 20,000 Bouygues shares may be allotted to Frédéric Gardès after a vesting period of three years (2021, 2022 and 2023), in accordance with the provisions of the French Commercial Code (Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.*).

Should the plan fall outside the scope of Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, the beneficiary would be liable to pay social security contributions and income tax on any shares thus allotted under the same terms applicable to his salary in respect of the year during which the shares vest. It would therefore be proposed that a portion of the shares to be allotted to the beneficiaries be paid in cash to enable the beneficiaries to pay the associated employee social security contributions and income tax.

For each allotment, the long-term compensation, subject to its being approved at a Shareholders' Meeting as laid down in Article L.22-10-34 of the French Commercial Code, would be paid as follows:

— 50% of the shares allotted would be delivered to the beneficiary on the first business day following the aforementioned Shareholders' Meeting;
— a cash amount equivalent to the value of 50% of the shares would be paid during the week following the aforementioned Shareholders' Meeting, calculated based on the opening share price the day before that Shareholders' Meeting.

Should the plan fall within the scope of Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, the long-term compensation, subject to its being approved at a Shareholders' Meeting as laid down in Article L.22-10-34 of the French Commercial Code, would be paid as follows: 100% of the shares allotted would be delivered to the beneficiary on the first business day following the aforementioned Shareholders' Meeting.

Allotment of shares is subject to the beneficiary still holding office and meeting performance criteria at the end of the vesting period.

***Performance conditions***

| | |
|---|---|
| **A1** | **RoCE: Return on Capital Employed/Invested**<br>This criterion is intended to measure average value creation by the Bouygues Group over the period 2021, 2022 and 2023. It is determined by comparing average RoCE over the last three fiscal years with the following bounds:<br>– a lower bound corresponding to the average past weighted average cost of capital for the Bouygues Group;<br>– an intermediate bound corresponding to the RoCE achieved by the Bouygues Group in 2019, before the public health crisis arose;<br>– an upper bound representing performance over and above the financial targets applicable to the intermediate bound. |
| **A2** | **TSR: Total Shareholder Return**<br>This criterion is intended to measure, over the three-year period, the performance of the Bouygues share price relative to sector-specific indices reflecting the Group's main business (STOXX® Europe 600 Construction & Materials, STOXX® Europe 600 Telecommunications and STOXX® Europe 600 Media). Performance, as reported by Bloomberg for both Bouygues and the aforementioned indices, is measured with dividends reinvested.<br>The criterion is triggered as soon as the Bouygues share price is at least equal to the benchmark price. |
| **A3** | **Equally-weighted CSR targets: climate plan and diversity** |

The number of shares allotted (20,000 maximum) would be determined as follows:

1. **If the lower bound is reached:**
   - A1 = 3,500 shares
   - A2 = 3,750 shares
   - A3 = 5,000 shares
2. **If the intermediate bound is reached:**
   - A1 = 7,000 shares
   - A2 = 4,375 shares
   - A3 = 5,000 shares
3. **If the upper bound is reached:**
   - A1 = 10,000 shares
   - A2 = 5,000 shares
   - A3 = 5,000 shares

Between the various bounds, A1 and A2 vary linearly. For A3, the performance measure will be calculated using the average of the results obtained by the business lines and will vary accordingly.

***Attendance conditions***

The beneficiary must hold the office of Chief Executive Officer of Colas SA as of December 31, 2023.

If the recipient no longer complies with this condition, his/her rights to long-term compensation will be definitively forfeited as of the date of termination of office.

The Board of Directors may make exceptions to these provisions on a case-by-case basis after consulting the Selection and Compensation Committee.

Notwithstanding the above, the beneficiary will not lose their long-term compensation rights due to:

— disability;
— death;
— retirement, on a pro rata basis for their attendance during the reference period.

***Cap***

Long-term compensation may never exceed a cap of 100% of the beneficiary's fixed and variable compensation.

***Holding period/hedging***

Pursuant to the recommendations of the Afep-Medef Code, the beneficiary will be required to hold a minimum number of shares in registered shares form until their term of office expires. Thus, the beneficiary should hold in registered form, until the end of their term of office as an executive company officer, a minimum number of shares equivalent to 1.5 times their fixed annual remuneration. Until such time as this holding target is met, the beneficiary would have to commit 60% of all shares actually delivered to him/her to this end. Should the plan not fall within the scope of Articles L.225-197-1 *et seq.* and L.22-10-59 et seq. of the French Commercial Code, the beneficiary must devote 50% of the shares actually delivered to him for this purpose.

The value of the shares delivered and the sums in cash paid under this long-term compensation plan may not exceed a cap equal to 100% of the beneficiary's fixed and variable compensation. To determine whether the cap has been reached, the value of the shares delivered is calculated on the basis of the opening share price of Bouygues shares the day before their delivery.

To the Company's knowledge, no hedging instruments have been put in place for the shares that may be granted under this long-term compensation plan. The beneficiary has also formally undertaken not to hedge their risk.

### Stock options

Since Frédéric Gardès, Chairman and Chief Executive Officer, has an employment contract with Bouygues SA, options entitling him to subscribe for new Bouygues shares (35,000 per year) may be awarded to him by Bouygues SA. For information about the terms of such awards, please refer to Bouygues SA's Universal Registration Document.

### Benefits in kind

The Chairman and Chief Executive Officer has a company car.

For information, this benefit in kind was valued at €5,774 for 2020.

The Chairman and Chief Executive Officer will also benefit, as of 2021, from a fixed number of hours with a tax/financial advisor.

### Supplementary pension plan

***Group exceptional rights pension plan governed by Article L.137-11 of the French Social Security Code (rights in respect of periods of employment prior to January 1, 2020)***

Having joined the pension plan prior to July 4, 2019, Frédéric Gardès is eligible for a defined benefit supplementary pension plan governed by Article L.137-11 of the French Social Security Code.

Provided that he concludes his career with the Bouygues Group, Frédéric Gardès may be entitled to a pension under this plan.

In accordance with French Law No. 2019-486 of May 22, 2019, known as the Pacte Law, and Order No. 2019-697 of July 3, 2019, the pension plan was closed to new members as of July 4, 2019 and current members' rights were frozen as of December 31, 2019.

As a result of the plan being closed and members' rights being frozen, no further rights may be granted to the Chief Executive Officer under this pension plan as of January 1, 2020.

Pursuant to Article 5 of Order No. 2019-697 of July 3, 2019, Bouygues SA intends to transfer the non-defined rights under the present plan, governed by Article L.137-11 of the French Social Security Code, to a vested rights contract covered by Article L.137-11-2 of the French Social Security Code, the characteristics of which are identical to the vested rights pension plan described below (i.e. as a result of this transfer, the pension rights acquired under this plan will no longer be subject to the beneficiary still holding office upon retirement).

In any case, no rights may be transferred to the beneficiary in excess of the 30% cap on his average annual compensation subject to social security contributions over the last three years under the plan governed by Article L.137-11 of the French Social Security Code.

***Vested rights pension plan governed by Article L.137-11-2 of the French Social Security Code (rights in respect of periods of employment subsequent to January 1, 2020)***

Considering the closure of the plan and the freezing of random rights under the defined-benefit pension plans covered by Article L.137-11 of the French Social Security Code, the Bouygues Board of Directors on November 13, 2019 and February 19, 2020 decided, on the recommendation of its Selection and Compensation Committee, to set up a new vested pension plan in accordance with the legal provisions in force (Article L.137-11-2 of the French Social Security Code). This new plan will enable executive company officers who have not reached the limit established by the Board of Directors to accrue pension rights in respect of periods of employment subsequent to January 1, 2020 such that they can acquire the same level of annuity rights (0.92% per year) as under the plan previously in force at Bouygues and subject to the performance conditions set out above. In accordance with new regulations, pension rights will vest annually and will no longer be subject to the beneficiary still holding office upon retirement.

The Chairman and Chief Executive Officer of Colas SA is eligible for this new pension plan and may acquire rights (0.92% of reference compensation per year) provided that he meets the performance conditions defined above, it being specified that his rights do not amount to eight times the annual Social Security cap (€329,088 in 2021) set by Bouygues' Board of Directors.

If this cap is exceeded, the vested rights will be converted into Bouygues shares subject to a one-year vesting period, and will be held until the date of departure or retirement up to a limit of fourteen times the annual French Social Security cap (€575,904 in 2021), as decided by Bouygues' Board of Directors.

***Pension plan involving the granting of performance shares***

On the recommendation of its Selection and Compensation Committee, Bouygues' Board of Directors decided, at its meeting on February 17, 2021, to set up a new pension plan under which performance shares would be granted to the Chairman and Chief Executive Officer of Colas SA, in accordance with the terms and conditions specified in Articles L.225-197-1 *et seq*. and L.22-10-59 *et seq*. of the French Commercial Code.

This system helps to align the interests of executive company officers and shareholders, as shares must be held by beneficiaries until their date of departure or retirement.

The choice of a pension plan in the form of performance shares reflects the willingness to involve executive company officers in the company's development in order to foster a corporate culture.

The granting of performance shares under this plan is subject to compliance with:

— a one-year vesting period; and
— a strict holding period until the beneficiary's date of departure or retirement, and in any case, lasting no less than one year.

The definitive acquisition of shares is subject to (i) the beneficiary holding office (at the date of acquisition), (ii) a performance condition relating to the average consolidated net profit attributable to the Bouygues Group and (iii) a performance condition relating to the average consolidated net profit attributable to the Colas Group.

The beneficiary will be granted a number of free shares of the Company equivalent to the amount of the bonus that would have served to secure the rights he would have acquired under the vested pension plan (up to a maximum of 0.92% of the reference compensation, subject to the fulfillment of the performance condition).

The Board of Directors of Bouygues set the overall cap for this plan at fourteen times the annual French social security cap (€575,904 in 2021).

This plan applies to beneficiaries of the vested rights plan governed by Article L.137-11-2 of the French Social Security Code, provided that they have reached the cap set by Bouygues' Board of Directors (eight times the annual French Social Security cap) for the defined-benefit pension plans in force at Bouygues SA.

To date, the rights acquired by Frédéric Gardès fall short of this cap. He will not benefit from this plan for 2021.

#### Respective importance of components of compensation

Long-term variable compensation in the form of shares will be introduced as of fiscal year 2021 as described above.

If the cap on long-term variable compensation is reached, the components of compensation would have the following respective importance:

- fixed compensation accounts for 34% of fixed and variable compensation;
- annual variable compensation accounts for a maximum of 58% of fixed and variable compensation;
- long-term variable compensation represents a maximum of 8% of fixed and variable compensation (LTI 2021 valuation based on the Bouygues share price at December 31, 2020).

#### Severance benefits

No severance benefits are payable to the Chairman and Chief Executive Officer.

#### Non-competition payment

No non-compete compensation is payable to the Chairman and Chief Executive Officer.

### 2.1.2.2. Compensation policy for Directors and Advisory Board members in 2021

The overall amount of compensation to be allotted to Directors and, where applicable, Advisory Board members in respect of their duties was set by the Shareholders' Meeting of April 17, 2007 at €250,000 for each fiscal year.

The Directors receive compensation determined by the Board of Directors (within the overall amount voted on at the Shareholders' Meeting), based on their attendance at meetings and the amount of time they dedicate to their duties, including, as the case may be, on Board committees.

The Directors may also receive compensation in respect of specific duties that may be entrusted to them by the Board, and which would be governed by regulated agreements put to the vote at a Shareholders' Meeting.

Compensation consists of a fixed component of 40% and a variable component of 60% calculated on a pro rata basis for the attendance of Directors and any Advisory Board members at the five regular annual meetings of the Board of Directors and, for committee members, the meetings of the committees concerned (variable compensation is not payable in respect of extraordinary meetings of the Board or any of its committees).

The criteria used to determine compensation payable to Directors and Advisory Board members for 2021 are identical to those for the year 2020, and are as follows:

| | Fixed component | Variable component | | Maximum total | Proportion (2) | |
|---|---|---|---|---|---|---|
| | | per meeting (1) | maximum (1) | | Fixed component | Variable component |
| **Directors and Advisory Board members** | €8,000 | €2,400 | €12,000 | **€20,000** | 40% | 60% |
| **Member of the Audit Committee** | €1,600 | €480 | €2,400 | **€4,000** | 40% | 60% |
| **Member of the Selection and Compensation Committee** | €1,600 | €2,400 | €2,400 | **€4,000** | 40% | 60% |
| **Member of the Ethics and Corporate Sponsorship Committee** | €1,600 | €1,200 | €2,400 | **€4,000** | 40% | 60% |

*(1) The "Variable component per meeting" and "Maximum variable component" are determined, for each member, on the basis of actual attendance at the five meetings of the Board of Directors, the five meetings of the Audit Committee, the meeting of the Selection and Compensation Committee and the two meetings of the Ethics and Corporate Sponsorship Committee. Variable compensation is not payable in respect of extraordinary meetings of the Board or any of its committees.*
*(2) This compensation policy complies with the provisions of Article 20.1 of the Afep-Medef Code, which recommends that the variable component make up a majority of total compensation.*

Some Directors receive compensation in respect of offices held with companies in the Bouygues Group.

Compensation payable to Directors and Advisory Board members in respect of 2021 will be paid in 2022, no later than the day after the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2021.

## 2.2. Total compensation of company officers in 2020

Information required by Articles L.22-10-09 and L.22-10-34, paragraph II of the French Commercial Code, and reiterating the principles and criteria approved via Resolution 5 and 6 at the Shareholders' Meeting of April 22, 2020, and Resolution 2 of the Shareholders' Meeting of September 3, 2020.

Compensation payable to Frédéric Gardès, which is determined and paid in accordance with the criteria and principles signed off by the Company's Board of Directors, is paid by Bouygues SA. This compensation and associated social security contributions are billed by Bouygues SA to Colas.

The amounts thus billed strictly reflect the amounts of compensation set by the Company's Board of Directors.

### 2.2.1. TOTAL ANNUAL COMPENSATION AWARDED TO FRÉDÉRIC GARDÈS IN RESPECT OF HIS POSITION AS MANAGING DIRECTOR FOR FISCAL YEAR 2020

#### Total compensation and benefits in kind

##### Fixed compensation

In respect of fiscal year 2020, Frédéric Gardès received gross annual fixed compensation of €850,000 for his service as Chief Executive Officer of the Company.

##### Variable compensation

The Board conducted its assessment of Frédéric Gardès's 2020 performance at its meeting of February 16, 2021.

Frédéric Gardès's variable compensation consists of six bonuses.

A target is set for each bonus. When the target is achieved, a variable component corresponding to a percentage of fixed compensation is awarded. If all six targets are achieved, the total of the six variable components is equal to the overall limit of 100% of fixed compensation, equal to a cap of €850,000, applicable to variable compensation payable to executive company officers.

If a target is exceeded or is not achieved, the variable component varies linearly within a range. Once again, the total of all six variable components may not in any event exceed the overall limit for executive company officers, which is set at 100% of fixed compensation, equaling €850,000.

The criteria used to determine variable compensation, the weightings allocated to each criterion and the extent to which targets were met are summarized in the table below.

| | | Variable compensation |
|---|---|---|
| | | Extent to which target achieved (as observed by the Board of Directors at its meeting of February 16, 2021) |
| **Criteria** | **Objectives** | As % of FC [1] |
| P1 | Free cash flow after changes in working capital related to operating activities and changes in working capital related to the Bouygues Group's operating assets | 20% |
| P2 | Free cash flow after changes in working capital related to operating activities and changes in working capital related to Colas operating assets | 15% |
| P3 | Colas' operating margin | 19% |
| P4 | Colas Group consolidated net profit attributable to the Group | 10% |
| P5 | Non-financial criteria linked to the Group's performance in the areas of compliance and CSR and an overall appraisal of the executive's management performance | 15% |
| P6 | Covid crisis management: definition and implementation of the continuity plan, protective management of the Group's cash flow and liquidity, business recovery plan, employee health and safety and supply logistics for protective equipment. | 20% |
| **Total** | | **99%** |
| **Cap** | | **100%** |

*(1) FC = Fixed Compensation.*

### Stock options

During fiscal year 2020, Frédéric Gardès received options giving the right to subscribe for new Bouygues shares, awarded by Bouygues SA's Board of Directors with effect from October 8, 2020.

The following stock options were awarded to Frédéric Gardès in 2020:

| Executive Company officer | Granting company | Grant date | Number of options | Exercise price (in euros) |
|---|---|---|---|---|
| Frédéric Gardès | Bouygues | 10/08/2020 | 80,000 | 30.53 |

### Benefits in kind

Frédéric Gardès had a chauffeur-driven company car during the 2020 fiscal year.

This benefit in kind is valued at €5,774.

### Supplementary pension plan

Members of the Bouygues Group's Executive Management Committee, including Frédéric Gardès, benefited until 2019 from a supplementary pension plan representing to 0.92% of their base salary per year of seniority in the plan. The benefits of this additional pension plan were acquired after ten years of seniority in the Bouygues Group, subject to the following conditions:

— must conclude their career at one of the Bouygues Group's companies;
— must still be members of the Executive Management Committee at this date,
— must be aged at least 65 at the time of departure or retirement;
— and must ensure that compulsory pension plans and compulsory supplementary plans are wound up.

The annual additional pension was capped at eight times the annual social security cap, i.e. €329,088 for 2020, which is below the cap of 45% of reference income stipulated in section 25.6.2 of the Afep-Medef Code. The supplementary pension plan was outsourced to an insurance company.

The Bouygues Group updated this plan in accordance with legal and regulatory provisions (French Law No. 2019-486 of May 22, 2019 on the growth and transformation of companies – known as the Pacte Law, Ordinance No. 2019-697 of July 3, 2019 relating to supplementary occupational pension plans and Interministerial Instruction No. DSS/3C/5B/2020/135 of July 27, 2020 relating to the closure of pension plans that make the acquisition of pension benefits conditional to the completion of the beneficiary's career at the company pursuant to Ordinance No. 2019-697 of July 3, 2019.

As a result, the pre-existing supplementary pension plan was closed to new members as of July 4, 2019 and no new conditional supplementary benefits could be earned under this plan as of January 1, 2020.

Current members' rights were frozen as of December 31, 2019.

In order to compensate for the closure of this plan in accordance with Article L.137-11 of the French Social Security Code, Bouygues set up a supplementary defined-benefit and vested rights pension plan pursuant to Article L.137-11-2 of the abovementioned Code, with effect from January 1, 2020.

The Colas SA Shareholders' Meetings on April 22, 2020 and September 3, 2020 adopted the 2020 compensation policy for Frédéric Gardès, which provides for the establishment of a supplementary defined-benefit and vested rights pension plan pursuant to Article L.137-11-2 of the French Social Security Code.

This plan will enable executive company officers who have not reached the limit established by the Board of Directors to accrue pension rights in respect of periods of employment subsequent to January 1, 2020 such that they can acquire the same level of annuity rights (0.92% per year) as under the plan previously in force at Bouygues and subject to the performance conditions set out below.

In accordance with new regulations, pension rights vest annually and are no longer be subject to the beneficiary still holding office upon retirement.

The characteristics of the supplementary pension plan are as follows:

— conditions for joining the pension plan and other conditions to be able to benefit from it:
  – must be a member of Bouygues' Executive Management Committee,
  – must have at least three years of service with the Bouygues Group;
— reference compensation:
  – gross annual fixed compensation,
  – all gross variable compensation based on the beneficiary's performance taken into account to calculate the basis of the contributions defined in Article L.242-1 of the French Social Security Code and paid during the year under review;
— rate of acquisition of rights: annual rate;
— annual limit on vesting of pension rights: 0.92% of reference salary;
— overall limit: Eight times the annual social security cap (€329,088 in 2020);
— funded through an insurance company to which a contribution is paid each year.

*Performance conditions*

Article 229 of the Act of August 6, 2015 for growth stipulates that the vesting of pension rights by senior executives of listed companies in respect of a given year is subject to the fulfilment of performance conditions.

For 2020, the vesting of annual supplementary pension rights by Frédéric Gardès was calculated on the basis of the achievement of an average consolidated net profit target based on the annual budgets for 2018, 2019 and 2020. Depending on the achievement of consolidated net profit targets, additional pension rights will range from 0% to a maximum of 0.92% of reference salary.

For 2020, the criteria were partially met, allowing the rights to be increased to 0.46% of the reference salary.

The annual additional pension is capped at eight times the annual social security cap, i.e. €329,088 for 2020, which is below the cap of 45% of reference income stipulated in section 25.6.2 of the Afep-Medef Code.

The Board of Directors also authorized the re-invoicing by Bouygues, for 2020 and 2021, of the portion of the premium paid to the insurance company by Bouygues for Frédéric Gardès.

### Compensation paid or awarded by a company included within the consolidated Group within the meaning of Article L.233-16 of the French Commercial Code

Frédéric Gardès received compensation in respect of his duties as a Director at Group companies as set out below:

| Company included in the consolidated Group paying compensation to Frédéric Gardès | Compensation paid in 2020 in respect of office | Compensation awarded in 2020 in respect of office |
|---|---|---|
| Colas Inc. | / | $8,000 (approximately €6,571) |
| Colas Canada | $7,500 (approximately €4,843) | $7,500 (approximately €4,843) |
| **Total** | **€4,843** | **€11,414** |

### Respective importance of components of compensation

Variable compensation equated to 99% of fixed compensation in respect of fiscal year 2020.

## Fairness ratio and changes in performance

In accordance with the provisions of Article L.22-10-9 (paragraphs 6 and 7), the fairness ratio (the ratio of the Chief Executive Officer's compensation to the mean and median compensation paid to employees of the Company) and the performance ratio (the annual change in compensation, performance and average compensation on a full-time equivalent basis of employees other than senior managers, in addition to the fairness ratio) are set out below.

Frédéric Gardès was appointed Chief Executive Officer of the Company on May 14, 2019, when the roles of Chief Executive Officer and Chairman of the Board of Directors were separated for the first time.

These ratios were determined by taking into account the total compensation due or awarded for the fiscal year.

Furthermore, the scope used is that of Colas SA and all its consolidated subsidiaries and investments located in Mainland France.

**Fairness ratio of compensation paid to Frédéric Gardès in respect of his position as Chief Executive Officer and mean and median compensation paid to employees of the Company and all its consolidated subsidiaries and investments located in Mainland France over the past five fiscal years**

| 2020 | | 2019 | | 2018 | | 2017 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|
| Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation |
| 37.46 | 45.03 | 26.54 | 32.13 | N/A | N/A | N/A | N/A | N/A | N/A |

**Change in compensation paid to Frédéric Gardès in respect of his position as Chief Executive Officer, average compensation paid to employees of the Company, and performance of the Company and all its consolidated subsidiaries and investments located in Mainland France over the past five fiscal years ***

| Annual change | | 2016/2015 | 2017/2016 | 2018/2017 | 2019/2018 | 2019/2020 |
|---|---|---|---|---|---|---|
| Annual compensation | | N/A | N/A | N/A | N/A | +36% |
| Performance of the Company | Current operating income | +12% | -6% | +3% | +16% | -41% |
| | Net profit attributable to the Group | +52% | -8% | -31% | +15% | -64% |
| Average employee compensation | | +2.9% | +2.2% | +2.6% | +3.1% | +2.1% |
| Fairness ratio | Ratio to mean employee compensation | N/A | N/A | N/A | N/A | +41.1% |
| | Ratio to median employee compensation | N/A | N/A | N/A | N/A | +40.1% |

* *In 2019, in light of Frédéric Gardès' appointment as Chief Executive Officer on May 14, 2019, all of his compensation was taken into account (under his employment contract for the period from January 1 to May 14, 2019 and under his term of office as Chief Executive Officer for the period after May 14).*

### Implementation of last vote at a Shareholders' Meeting

At the Annual Shareholders' Meeting of April 22, 2020, the shareholders approved Resolution 7 on information laid down in Article L.22-10-9 of the French Commercial Code relating to components of compensation paid or allotted to company officers in respect of the fiscal year ended December 31, 2019.

At that same meeting, the shareholders also approved the compensation policy for 2020 (Resolutions 5 and 6) as well as the fixed and variable components making up total compensation and benefits paid or allotted to each company officer in respect of the fiscal year ended December 31, 2019 (Resolutions 8 to 10).

At the Shareholders' Meeting of September 3, 2020, the shareholders approved changes to the Chief Executive Officer's compensation to reflect the exceptional circumstances surrounding the Covid-19 pandemic (Resolution 3).

The components of compensation paid or awarded to Frédéric Gardès in respect of fiscal year 2020 are consistent with the compensation policy approved by the shareholders.

### Consistency of compensation paid with compensation policy

The components of compensation paid to Frédéric Gardès are consistent with the principles and criteria governing compensation payable to the Chief Executive Officer as approved at the Shareholders' Meetings of April 22, 2020 and September 3, 2020.

### Suspension of compensation payable to Directors

Since the composition of the Board of Directors is in accordance with the provisions of Article L.22-10-3 of the French Commercial Code, payment of the compensation laid down in the first paragraph of Article L.225-45 of that Code has not been suspended.

## 2.2.2. TOTAL ANNUAL COMPENSATION AWARDED TO OLIVIER ROUSSAT IN RESPECT OF HIS POSITION AS CHAIRMAN OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2020

### Total compensation and benefits in kind

#### Fixed compensation

Olivier Roussat received fixed compensation of €150,000.

#### Compensation in respect of his service as a Director of the Company

In respect of his service as a Director of the Company, Olivier Roussat will receive gross compensation of €20,000 (paid in 2021 in respect of Board meetings held in fiscal year 2020).

#### Compensation paid or awarded by a company included within the consolidated Group within the meaning of Article L.233-16 of the French Commercial Code

Olivier Roussat neither received nor was awarded any compensation by a company included within the consolidated Group.

However, Olivier Roussat serves as Chief Executive Officer of Bouygues SA and Director of companies belonging to the consolidated Bouygues Group, and receives compensation in respect of those offices. A breakdown of these components of compensation can be found in the Bouygues SA Universal Registration Document.

### Fairness ratio and changes in performance

In accordance with the provisions of Article L.22-10-9 (paragraphs 6 and 7), the fairness ratio (the ratio of the Chairman of the Board of Directors' compensation to the mean and median compensation paid to employees of the Company) and the performance ratio (the annual change in compensation, performance and average compensation on a full-time equivalent basis of employees other than senior managers, in addition to the fairness ratio) are set out below.

It should be noted that Olivier Roussat served as Chairman of the Company's Board of Directors from October 1, 2019 to February 16, 2021 and that he did not receive any compensation in respect of his office as Chairman of the Board of Directors in fiscal year 2019.

These ratios were determined by taking into account the total compensation due or awarded for the fiscal year.

Furthermore, the scope used is that of Colas SA and all its consolidated subsidiaries and investments located in Mainland France.

**Fairness ratio of compensation paid to Olivier Roussat in respect of his office as Chairman of the Board of Directors and mean and median compensation paid to employees of the Company and all its consolidated subsidiaries and investments located in Mainland France over the past five fiscal years**

| 2020 | | 2019 | | 2018 | | 2017 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|
| Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation | Ratio to mean employee compensation | Ratio to median employee compensation |
| 4.14 | 4.98 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Change in compensation paid to Olivier Roussat in respect of his office as Chairman of the Board of Directors, average compensation paid to employees of the Company, and performance of the Company and all its consolidated subsidiaries and investments located in Mainland France over the past five fiscal years**

| Annual change | | 2016/2015 | 2017/2016 | 2018/2017 | 2019/2018 | 2019/2020 |
|---|---|---|---|---|---|---|
| Annual compensation | | N/A | N/A | N/A | N/A | 100% (1) |
| Performance of the Company | Current operating income | 12% | -6% | 3% | 16% | -41% |
| | Net profit attributable to the Group | 52% | -8% | -31% | 15% | -64% |
| Average employee compensation | | 2.9% | 2.2% | 2.6% | 3.1% | +2.1% |
| Fairness ratio | Ratio to mean employee compensation | N/A | N/A | N/A | N/A | +100% (1) |
| | Ratio to median employee compensation | N/A | N/A | N/A | N/A | +100% (1) |

*(1) Olivier Roussat received no variable compensation in 2019 in respect of his office as Chairman of the Company's Board of Directors.*

## Implementation of last vote at a Shareholders' Meeting

At the Annual Shareholders' Meeting of April 22, 2020, the shareholders approved Resolution 7 on information laid down in Article L.22-10-9 of the French Commercial Code relating to components of compensation paid or allotted to company officers in respect of the fiscal year ended December 31, 2019.

At that same meeting, the shareholders also approved the compensation policy for 2020 (Resolutions 5 and 6) as well as the fixed and variable components making up total compensation and benefits paid or allotted to each company officer in respect of the fiscal year ended December 31, 2019 (Resolutions 8 to 10).

At the Shareholders' Meeting of September 3, 2020, the shareholders approved changes to the Chief Executive Officer's compensation to reflect the exceptional circumstances surrounding the Covid-19 pandemic (Resolution 3).

The components of compensation paid or awarded to Olivier Roussat in respect of fiscal year 2020 are consistent with the compensation policy approved by the shareholders.

## Consistency of compensation paid with compensation policy

The components of compensation paid to Olivier Roussat are consistent with the principles and criteria governing compensation payable to the Chairman of the Board of Directors as approved at the Shareholders' Meetings of April 22, 2020 and September 3, 2020.

## Suspension of compensation payable to Directors

Since the composition of the Board of Directors is in accordance with the provisions of Article L.22-10-3 of the French Commercial Code, payment of the compensation laid down in the first paragraph of Article L.225-45 of that Code has not been suspended.

## 2.2.3. TOTAL ANNUAL COMPENSATION OF DIRECTORS FOR FISCAL YEAR 2020

### Total compensation and benefits in kind

Compensation paid to the Directors in respect of fiscal year 2020 is as follows:

| Directors and Advisory Board members | Source | 2020 (paid in 2021) | 2019 (paid in 2020) |
|---|---|---|---|
| **Olivier Roussat**<br>Chairman of the Board of Directors [(1)] | Colas SA | €20,000 | €15,200 |
| | Consolidated subsidiaries of Colas SA | / | / |
| **Hervé Le Bouc**<br>Director and Chairman of the Board of Directors (until October 1, 2019) | Colas SA | N/A | €17,600 |
| | Consolidated subsidiaries of Colas SA | N/A | / |
| **Subtotal: Executive company officers, Directors** | **Colas SA** | **€20,000** | **€32,800** |
| | **Consolidated subsidiaries of Colas SA** | **€0** | **€0** |
| | **Subtotal** | **€20,000** | **€32,800** |
| **Olivier Bouygues**<br>Director | Colas SA | €20,000 | €20,000 |
| | Consolidated subsidiaries of Colas SA | / | / |
| **Phillippe Marien**<br>Permanent representative of Bouygues SA until February 18, 2020 | Colas SA | €14,880 | €24,000 |
| | Consolidated subsidiaries of Colas SA | / | / |
| **Pascal Grangé**<br>Permanent representative of Bouygues SA since February 18, 2020 | Colas SA | €18,240 | N/A |
| | Consolidated subsidiaries of Colas SA | / | N/A |
| **François Bertière**<br>Director until February 19, 2019 | Colas SA | N/A | €16,800 |
| | Consolidated subsidiaries of Colas SA | N/A | / |
| **Arnauld Van Eeckhout**<br>Director | Colas SA | €28,000 | €28,000 |
| | Consolidated subsidiaries of Colas SA | / | / |
| **Colette Lewiner**<br>Director | Colas SA | €32,000 | €32,000 |
| | Consolidated subsidiaries of Colas SA | / | / |
| **Martine Gavelle**<br>Director | Colas SA | €24,000 | €24,000 |
| | Consolidated subsidiaries of Colas SA | / | / |
| **Catherine Ronge**<br>Director | Colas SA | €24,000 | €21,600 |
| | Consolidated subsidiaries of Colas SA | / | / |
| **Subtotal: other Directors** | **Colas SA** | **€161,120** | **€166,400** |
| | **Consolidated subsidiaries of Colas SA** | **€0** | **€0** |
| | **Subtotal** | **€161,120** | **€166,400** |
| **Directors: grand total** | **Colas SA** | **€181,120** | **€199,200** |
| | **Consolidated subsidiaries of Colas SA** | **€0** | **€0** |
| | **Total** | **€181,120** | **€199,200** |

*(1) Olivier Roussat was appointed as a Director of the Company on February 19, 2019 and served as Chairman of the Board of Directors from October 1, 2019 to February 16, 2021*

### Compensation paid by a consolidated company

Compensation paid to executive company officers by a consolidated entity is set out above.

### Respective importance of components of compensation

The Directors received no variable or exceptional compensation in respect of fiscal year 2020.

### Implementation of last vote at a Shareholders' Meeting

At the Annual Shareholders' Meeting of April 22, 2020, the shareholders approved Resolution 7 on information laid down in Article L.22-10-9 of the French Commercial Code relating to components of compensation paid or allotted to company officers in respect of the fiscal year ended December 31, 2019.

At that same meeting, the shareholders also approved the compensation policy for 2020 (Resolutions 5 and 6) as well as the fixed and variable components making up total compensation and benefits paid or allotted to each company officer in respect of the fiscal year ended December 31, 2019 (Resolutions 8 to 10).

At the Shareholders' Meeting of September 3, 2020, the shareholders approved changes to the Chief Executive Officer's compensation to reflect the exceptional circumstances surrounding the Covid-19 pandemic (Resolution 3).

The compensation awarded to the Directors in respect of fiscal year 2020 is consistent with the compensation policy approved by the shareholders.

### Consistency of compensation paid with compensation policy

The components of compensation for Directors are consistent with the principles and criteria for the compensation of Directors and any Advisory Board members as approved at the Shareholders' Meeting of April 22, 2020.

### Suspension of compensation payable to Directors

Since the composition of the Board of Directors is in accordance with the provisions of Article L.22-10-3 of the French Commercial Code, payment of the compensation laid down in the first paragraph of Article L.225-45 of that Code has not been suspended.

## 2.3 Summary of components of compensation paid to company officers

In accordance with Appendix 4 of the Afep-Medef Code, a summary of compensation paid to officers of the Company is set out below.

### TABLE 1 – SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO EXECUTIVE COMPANY OFFICERS

| Executive Company officer | 2020 | 2019 (1) |
|---|---|---|
| **Frédéric Gardès (Chief Executive Officer since May 14, 2019 and Chairman and Chief Executive Officer since February 16, 2021)** | | |
| Compensation payable in respect of the fiscal year (see Table 2) | €1,708,688 | €875,000 |
| Value of options granted during the fiscal year (see Table 4) | €240,744 | €29,920 |
| Value of performance shares granted during the fiscal year (see Table 6) | / | / |
| **Total** | **€1,949,432** | **€904,920** |
| **Olivier Roussat (Chairman of the Board of Directors from October 1, 2020 to February 16, 2021)** | | |
| Compensation payable in respect of the fiscal year (see Table 2) | €170,000 | €15,200 |
| Value of options granted during the fiscal year (see Table 4) | / | / |
| Value of performance shares granted during the fiscal year (see Table 6) | / | / |
| **Total** | **€170,000** | **€15,200** |

*(1) For the period between May 14, 2019 and December 31, 2019.*

### TABLE 2 – COMPENSATION PAID TO EXECUTIVE COMPANY OFFICERS

| Executive company officer | 2020 | 2019 (1) |
|---|---|---|
| **Frédéric Gardès (Chief Executive Officer since May 14, 2019)** | | |
| Fixed compensation | €850,000 | €437,500 |
| Variable compensation awarded in respect of the fiscal year | €841,500 | €437,500 |
| Exceptional compensation | / | / |
| Compensation awarded in respect of service as a Director of the Company or its consolidated subsidiaries | €11,414 | / |
| Benefits in kind | €5,774 | / |
| **Total** | **€1,708,688** | **€875,000** |
| **Olivier Roussat (Chairman of the Board of Directors since October 1, 2020)** | | |
| Fixed compensation | €150,000 | / |
| Variable compensation awarded in respect of the fiscal year | / | / |
| Exceptional compensation | / | / |
| Compensation awarded in respect of service as a Director of the Company or its consolidated subsidiaries | €20,000 | €15,200 |
| Benefits in kind | / | / |
| **Total** | **€170,000** | **€15,200** |

*(1) For the period between May 14, 2019 and December 31, 2019.*

## TABLE 3 – COMPENSATION PAID TO DIRECTORS AND ADVISORY BOARD MEMBERS

| Non-executive company officers | 2020 | 2019 |
|---|---|---|
| Hervé Le Bouc | N/A | N/A |
| Olivier Roussat | €20,000 | €15,200 |
| Olivier Bouygues | €20,000 | €20,000 |
| Philippe Marien, Permanent representative of Bouygues SA (until February 18, 2020) | €14,880 | €24,000 |
| Pascal Grangé, Permanent representative of Bouygues SA (since February 18, 2020) | €18,240 | N/A |
| Arnauld Van Eeckhout | €28,000 | €28,000 |
| François Bertière | N/A | €16,800 |
| Colette Lewiner | €32,000 | €32,000 |
| Martine Gavelle | €24,000 | €24,000 |
| Catherine Ronge | €24,000 | €21,600 |
| **Total** | **€181,120** | **€199,200** |

## TABLE 4 – STOCK OPTIONS AWARDED TO EXECUTIVE COMPANY OFFICERS IN 2020

| Executive company officers | Granting company | Grant date | Number of options | Exercise price (in euros) | Value of options based on the method used for the consolidated financial statements |
|---|---|---|---|---|---|
| Frédéric Gardès | Bouygues | 10/08/2020 | 80,000 | 30.53 | €240,744 |
| Olivier Roussat | | / | / | / | / |
| **Total** | | | **80,000** | | **€240,744** |

## TABLE 5 - SHARE SUBSCRIPTION OPTIONS EXERCISED BY EXECUTIVE COMPANY OFFICERS IN 2020

| Executive company officers | Granting company | Plan concerned | Number of options | Exercise price (in euros) |
|---|---|---|---|---|
| Frédéric Gardès | Bouygues | 03/28/2013 | 2,500 | 22.28 |
| Olivier Roussat | Bouygues | / | / | / |
| **Total** | | | **2,500** | |

*NB: Olivier Roussat did not exercise any stock options in 2020.*

## TABLE 6 – PERFORMANCE SHARES GRANTED TO EXECUTIVE COMPANY OFFICERS

No performance share plans were awarded to the executive company officers during fiscal year 2020.

## TABLE 7 - PERFORMANCE SHARES MADE AVAILABLE DURING THE FISCAL YEAR TO EXECUTIVE COMPANY OFFICERS

No performance shares were made available since no performance shares were granted to executive company officers.

## TABLE 8 – HISTORY OF STOCK OPTION AWARDS

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|
| Date of Bouygues SA Shareholders' Meeting | 04/25/2019 | 04/25/2019 | 04/26/2018 | 04/27/2017 | 04/21/2016 | 04/23/2015 | 04/21/2011 |
| Grant date | 10/08/2020 | 05/31/2018 | 06/01/2018 | 06/01/2017 | 05/30/2016 | 05/28/2015 | 03/27/2014 |
| Number of options granted to persons working at Colas | 910,000 | 822,000 | 817,000 | 810,000 | 800,000 | 800,000 | 850,000 |
| – of which: executive company officers and salaried Directors (1) | 80,000 | 157,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Frédéric Gardès | 80,000 | 22,000 | N/A | N/A | N/A | N/A | N/A |
| Olivier Roussat | / | / | N/A | N/A | N/A | N/A | N/A |
| – of which: Top ten employee recipients | 129,500 | 136,000 | 130,000 | 140,000 | 120,000 | 120,000 | 117,000 |
| Original exercise price before adjustment | €30.53 | €32.591 | €41.57 | €37.99 | €29.00 | €37.106 | €30.32 |
| Earliest exercise date | 10/09/2022 | 06/01/2021 | 06/02/2020 | 06/02/2019 | 05/31/2018 | 05/29/2017 | 03/28/2018 |
| Expiration date | 10/08/2030 | 05/31/2029 | 06/01/2028 | 06/01/2027 | 05/30/2026 | 05/28/2025 | 09/27/2021 |

*(1) There have been no salaried Directors since 2014.*

## TABLE 9 – HISTORY OF PERFORMANCE SHARE AWARDS

No performance shares have been awarded to the executive company officers.

## TABLE 10 – MULTI-YEAR VARIABLE COMPENSATION PAID TO EXECUTIVE COMPANY OFFICERS

No deferred or multi-year variable compensation is awarded to executive company officers.

## TABLE 11 – OTHER INFORMATION ABOUT THE EXECUTIVE COMPANY OFFICERS

| Executive company officers | Employment contract | | Supplementary pension plan | | Compensation or benefits due or potentially due as a result of termination or change in position | | Compensation relating to a non-competition clause | |
|---|---|---|---|---|---|---|---|---|
| | yes | no | yes | no | yes | no | yes | no |
| **Frédéric Gardès** Position: Chief Executive Officer | | X (1) | X | | | X | | X |
| **Olivier Roussat** Position: Chairman of the Board of Directors | | X (2) | X (3) | | | X | | X |

*(1) Frédéric Gardès is an employee of Bouygues SA.*
*(2) Olivier Roussat entered into a permanent employment contract with Bouygues SA on April 1, 2007. This contract was suspended upon his appointment as Deputy Chief Executive Officer of Bouygues SA on August 30, 2016.*
*(3) Olivier Roussat is entitled to a defined benefit pension in respect of his service as Deputy Chief Executive Officer of Bouygues SA (cf. the Bouygues SA Universal Registration Document). The cost of this pension is borne in full by Bouygues SA and is not billed to the Company.*

# 3. Agreements entered into between executives or shareholders of Colas and its direct or indirect subsidiaries

In accordance with the provisions of Article L.225-37-4 of the French Commercial Code, all agreements entered into are hereby disclosed, whether directly or through an intermediary, between an officer or shareholder of the Company holding more than 10% of the voting rights, and another company controlled by the Company (apart from agreements relating to routine transactions and entered into at arm's length).

To the Company's knowledge, the only agreements falling within the scope of these legal provisions are tax consolidation agreements entered into between Bouygues SA and some direct and indirect subsidiaries.

| SUBSIDIARY | Year of inclusion in the tax consolidation group |
|---|---|
| COLAS CENTRE-OUEST | 2001 |
| COLAS NORD-EST | 2001 |
| COLAS ÎLE-DE-FRANCE NORMANDIE | 2001 |
| COLAS MARTINIQUE | 2001 |
| COLAS MIDI-MÉDITERRANÉE | 2001 |
| COLAS NORD-PICARDIE | 2001 |
| COLAS RHÔNE-ALPES AUVERGNE | 2001 |
| COLAS SA | 2001 |
| COLAS SUD-OUEST | 2001 |
| GTOI | 2001 |
| COLAS RAIL (formerly SECO-RAIL) | 2001 |
| SMAC (deconsolidated on May 14, 2019 and sold to a third party outside the Group on May 20, 2019) | 2001 |
| AXIMUM (formerly SOMARO) | 2001 |
| SPAC | 2001 |
| RESIPOLY CHRYSOR (deconsolidated on May 14, 2019 and sold to a third party outside the Group on May 20, 2019) | 2004 |
| AXTER (deconsolidated on May 14, 2019 and sold to a third party outside the Group on May 20, 2019) | 2009 |
| SGTE | 2010 |
| PERRIER TP | 2010 |
| RIBAL TRAVAUX PUBLICS | 2011 |
| SOGETRA | 2012 |
| SRD | 2014 |
| AXIMUM PRODUITS ÉLECTRONIQUES | 2015 |
| AXIMUM PRODUITS DE SÉCURITÉ | 2015 |
| CARRIERES ET MATERIAUX DU GRAND OUEST | 2015 |
| COLAS MAYOTTE | 2016 |
| ETPC | 2016 |
| SES NOUVELLE | 2016 |
| CMCA | 2018 |
| COLAS PROJECTS | 2018 |
| PERASSO | 2018 |

The Board of Directors has not been advised of any other agreements that fall within the framework of Article L.225-37-4 paragraph 2 of the French Commercial Code.

# 4. Summary table of delegations of powers concerning capital increases

The table below provides a summary of current financial authorizations granted by the Shareholders' Meeting to the Board of Directors for the purposes of buying back shares, increasing or reducing the share capital, or awarding share options.

Only the authorization to trade in the Company's shares was used in 2020.

| Purpose of authorization | Nominal cap | Maturity/ Duration | Usage in 2020 |
|---|---|---|---|
| **Share buybacks and reduction in share capital** | | | |
| 1. Buying back by the Company of its own shares (Shareholders' Meeting of April 22, 2020, Resolution 15) | 1% of share capital, total cost capped at 58,778,100 euros | October 22, 2021 (18 months) | 6,426 shares bought* 5,863 shares sold* (under the liquidity agreement) |
| 2. Reducing share capital by retiring shares (Shareholders' Meeting of April 22, 2020, Resolution 17) | 10% of share capital per 24-month period | October 22, 2020 (18 months) | None |
| **Issue of securities** | | | |
| 3. Carrying out capital increases with preferential subscription rights for existing shareholders (Shareholders' Meeting of April 17, 2019, Resolution 22) | Capital increase: 10 million euros Issue of debt securities: 10 million euros | June 17, 2021 (26 months) | None |
| 4. Carrying out capital increases by way of a public offering without preferential subscription rights for existing shareholders (Shareholders' Meeting of April 17, 2019, Resolution 23) | Capital increase: 10 million euros Issue of debt securities: 10 million euros | June 17, 2021 (26 months) | None |
| 5. Carrying out capital increases for the purpose of issuing, by way of an offering to the persons referred to in section II of Article L.411-2 of the French Monetary and Financial Code, shares and investment securities giving access to the Company's share capital, without preferential subscription rights (Shareholders' Meeting of April 17, 2019, Resolution 24) | Capital increase: 10 million euros and 20% of share capital over a period of 12 months Issue of debt securities: 10 million euros | June 17, 2021 (26 months) | None |
| 6. Raising the number of new shares to be issued in the event of a capital increase with or without preferential subscription rights for existing shareholders (Shareholders' Meeting of April 17, 2019, Resolution 25) | 15% of the initial issue | June 17, 2021 (26 months) | None |
| 7. Increasing the share capital through the capitalization of share premiums, reserves or earnings (Shareholders' Meeting of April 17, 2019, Resolution 26) | 10 million euros | June 17, 2021 (26 months) | None |

* *Trading position.*

The table below provides a summary of the financial authorizations requested at the Shareholders' Meeting of April 20, 2021.

| Purpose of authorization | Nominal cap | Maturity/ Duration |
|---|---|---|
| **Share buybacks and reduction in share capital** | | |
| 1. Buying back by the Company of its own shares (Resolution 18) | 1% of share capital, total cost capped at 58,778,100 euros | October 20, 2022 (18 months) |
| 2. Reducing share capital by retiring shares (Resolution 20) | 10% of share capital per 24-month period | October 20, 2022 (18 months) |
| **Issue of securities** | | |
| 3. Carrying out capital increases with preferential subscription rights for existing shareholders (Resolution 21) | Capital increase: 10 million euros Issue of debt securities: 10 million euros | June 20, 2023 (26 months) |
| 4. Carrying out capital increases by way of a public offering without preferential subscription rights for existing shareholders (Resolution 22) | Capital increase: 10 million euros Issue of debt securities: 10 million euros | June 20, 2023 (26 months) |
| 5. Carrying out capital increases for the purpose of issuing, by way of an offering to the persons referred to in section II of Article L.411-2 of the French Monetary and Financial Code, shares and investment securities giving access to the Company's share capital, without preferential subscription rights (Resolution 23) | Capital increase: 10 million euros and 20% of share capital over a period of 12 months Issue of debt securities: 10 million euros | June 20, 2023 (26 months) |
| 6. Raising the number of new shares to be issued in the event of a capital increase with or without preferential subscription rights for existing shareholders (Resolution 24) | 15% of the initial issue | June 20, 2023 (26 months) |
| 7. Increasing the share capital through the capitalization of share premiums, reserves or earnings (Resolution 25) | 10 million euros | June 20, 2023 (26 months) |

# 5. Information that may have an impact in the event of a public offer

## 5.1. Shareholding structure

Colas' shareholding structure at December 31, 2020 was as follows:

| Shareholder | Shares | | Change relative to December 31, 2019 | | Voting rights | | Change relative to December 31, 2019 | |
|---|---|---|---|---|---|---|---|---|
| | In number of shares | % | In number of shares | % | Number of voting rights | % | Number of voting rights | % |
| Bouygues SA | 31,611,646 | 96.81 | 68,424 | +0.21 | 63,154,868 | 98.02 | 68,424.00 | +0.09 |
| "Colas en actions" FCPE investment fund | 222,480 | 0.68 | -8,694 | -0.03 | 444,960 | 0.69 | -17,388.00 | -0.03 |
| Colas Shares FPCE investment fund | 4,640 | 0.01 | 170 | 0 | 8,860 | 0.01 | 170.00 | 0 |
| Free float | 794,854 | 2.43 | -60,463 | -0.19 | 800,700 (1) | 1.24 | -61,040.00 | -0.1 |
| Colas SA (treasury shares) | 20,879 (1) | 0.06 | 563 | 0 | / | / | / | / |

*(1) Trading position.*

## 5.2. Limitations under the bylaws on the exercise of voting rights and transfers of shares

To the Company's knowledge, there are no limitations on the exercise of voting rights and transfers of shares.

## 5.3. Direct or indirect shareholdings in the Company of which it is aware in accordance with Articles L.233-7 and L.233-12 of the French Commercial Code

Colas SA is controlled by Bouygues SA, which holds around 96.81% of share capital.

Colas SA does not have any shareholdings in Bouygues SA.

## 5.4. List of holders of any securities with special control rights and description of those rights

In accordance with current legal provisions and the provisions of Article 31 "Voting rights and quorum" of the bylaws, a double voting right conferred on other shares on the basis of the share capital they represent is attributed to all fully paid-up shares for which proof is provided of registration for at least two years in the name of the same shareholder.

Colas SA is controlled by Bouygues SA, which held around 96.81% of share capital as of December 31, 2020, equal to 31,611,646 shares entitling it to 63,154,868 voting rights.

## 5.5. Control mechanism provided under an employee shareholding plan

To the Company's knowledge, there is no control mechanism relating to the employee shareholding plan.

## 5.6. Agreement between shareholders that may result in restrictions on the transfer of shares and the exercise of voting rights

To the Company's knowledge, there is no agreement between shareholders that may result in restrictions on the transfer of shares and the exercise of voting rights.

## 5.7. Rules applicable to the appointment and replacement of members of the Board of Directors and amendment of the bylaws

### APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the provisions of Articles 13, 14 and 15 of the bylaws, the Company is administered by a Board of Directors comprising at least three and no more than eighteen members appointed by the Shareholders' Meeting. Legal entities can be members of the Board of Directors. Upon their appointment, they must appoint a permanent representative who is subject to the same conditions and obligations and incurs the same liabilities as if they were a Director in their own name, without prejudice to the joint and several liability of the legal entity they represent. An employee of the Company can only be appointed as a Director if their employment contract pre-dates their appointment and corresponds to actual employment. Any appointment made in violation of this provision is null and void; however, this does not render null and void the deliberations in which the irregularly appointed Director has taken part. The number of Directors linked to the Company by an employment contract cannot exceed one-third of Directors in office.

Directors are appointed for two-year terms. The Board of Directors shall be renewed at each annual Shareholders' Meeting, alternating between one or more members, if applicable, so that the Board can be completely renewed in two years, done as equally as possible according to the number of members. All outgoing members can be re-appointed.

If a seat becomes vacant as a result of death or resignation during the period between two Shareholders' Meetings, the Board of Directors may make a provisional replacement. The Director appointed to replace another Director shall only remain in office for the remaining term of his/her predecessor's directorship. Provisional appointments of Directors are subject to ratification at the next ordinary Shareholders' Meeting. If they are not ratified, deliberations and acts carried out previously by the Board shall remain valid. If just two Directors remain in office, the Shareholders' Meeting must be immediately convened by the Directors or, as necessary, by the Statutory Auditors in order to complete the Board.

### AMENDMENT OF THE BYLAWS

The bylaws may only be amended, unless otherwise required by law, on the basis of a decision by the Extraordinary Shareholders' Meeting. A proposal will be submitted to the Shareholders' Meeting of April 20, 2021 recommending the authorization the Board of Directors to make any amendments necessary to the bylaws to ensure their compliance with legal and regulatory provisions; any amendments to the bylaws will therefore be subject to ratification at the next Extraordinary Shareholders' Meeting.

## 5.8. Powers of the Board of Directors

In accordance with the provisions of Article 19 "Powers of the Board of Directors", the Board of Directors determines the Company's business strategy and oversees its implementation. Subject to the powers expressly attributed to Shareholders' Meetings and within the limits of the Company's purpose, it handles all matters relating to the proper operation of the Company and settles matters concerning the Company by means of its deliberations. In relations with third parties, the Company is bound even by the acts of the Board of Directors that do not fall within the scope of its corporate purpose unless it can prove that the third party knew that the act was outside its corporate purpose or that it could not have been unaware of this given the circumstances, it being excluded that the mere publication of the bylaws constitutes sufficient proof thereof. The Board of Directors carries out any controls and verifications it deems appropriate. The Chairman or the Chief Executive Officer of the Company is responsible for providing all Directors with all documents and information needed to perform their duties. The Board of Directors sets the level of compensation paid to the Chairman and the Chief Executive Officer, and determines the benefits and ancillary benefits to which they are entitled.

In addition, the Board of Directors benefits from the financial authorizations set out above (see Summary table of current delegations of powers included in this report).

## 5.9. Agreements entered into by the Company that are amended or end in the event of change of ownership

To the Company's knowledge, there are no significant agreements or commitments entered into by the Company that would be amended or end in the event of change of ownership.

## 5.10. Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are made redundant without real and serious cause or if their employment ends because of a public purchase or exchange offer

To the Company's knowledge, there are no agreements providing for compensation for members of the Board of Directors or employees if they resign or are made redundant without real and serious cause or if their employment ends because of a public tender or exchange offer.

**The Board of Directors**

# RESOLUTIONS

# 1. AGENDA

## 1.1. Ordinary Shareholders' Meeting Resolutions

- Approval of the parent company financial statements;
- Approval of the annual consolidated financial statements;
- Earnings and earnings appropriation;
- Approval of the agreements and commitments specified in Articles L.225-38 *et seq.* of the French Commercial Code;
- Approval of the compensation policy for executive company officers;
- Approval of the compensation policy for Directors and Advisory Board members;
- Approval of the compensation disclosures concerning company officers required by I of Article L.22-10-9 of the French Commercial Code;
- Approval of the items of compensation and benefits paid during or awarded in respect of fiscal year 2020 to Frédéric Gardès;
- Approval of the items of compensation and benefits paid during or awarded in respect of fiscal year 2020 to Olivier Roussat;
- Ratification of Frédéric Gardès' appointment as a Director;
- Renewal of the directorship of Colette Lewiner;
- Renewal of the directorship of Olivier Bouygues;
- Renewal of the directorship of Olivier Roussat;
- Renewal of the directorship of Bouygues SA;
- Appointment of Stéphanie Rivoal as a Director to replace Martine Gavelle;
- Reappointment of Mazars as Principal Statutory Auditor;
- Non-renewal of the appointment as Substitute Statutory Auditor of Thierry Colin;
- Authorization granted to the Board of Directors to allow the Company to carry out transactions in its own shares;
- Powers to carry out legal requirements.

## 1.2 Extraordinary Shareholders' Meeting Resolutions

- Authorization given to the Board of Directors to reduce share capital by retiring Company shares that the Company owns;
- Delegation of authority granted to the Board of Directors to increase the share capital, with preferential subscription rights maintained, by the issue of shares or investment securities conferring entitlement to Company shares;
- Delegation of authority granted to the Board of Directors to increase the share capital by way of a public offering, with preferential subscription rights canceled, of shares or investment securities giving access to the Company's share capital;
- Delegation of authority granted to the Board of Directors for the purpose of issuing, by way of an offering to the persons referred to in Article L.411-2-1° of the French Monetary and Financial Code, shares and investment securities giving access to the Company's share capital, without preferential subscription rights canceled;
- Authorization to be given to the Board of Directors to raise the number of new shares to be issued in the event of a capital increase, with or without preferential subscription rights maintained or canceled;
- Delegation of authority granted to the Board of Directors to increase the share capital through the capitalization of share premiums, reserves or earnings;
- Delegation of authority to the Board of Directors for the purposes of amending the bylaws to ensure compliance;
- Powers to carry out legal requirements.

# 2. REPORT ON THE RESOLUTIONS TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING

This report presents the subject and purpose of the draft resolutions to be submitted to the Company's Combined Annual and Extraordinary Shareholders' Meeting on April 20, 2021.

## 2.1. Resolutions for the Ordinary Shareholders' Meeting

### RESOLUTIONS 1, 2 AND 3

**Approval of the parent company and consolidated financial statements, appropriation of fiscal year 2020 earnings and setting of the dividend (2.90 euros per share)**

#### Subject and purpose

Approve:

- the individual (parent company) financial statements for fiscal year 2020 showing net profit of 210,604,716.85 euros; and
- the consolidated financial statements for fiscal year 2020 showing net profit attributable to the Group of 94 million euros.

The detailed financial statements are provided in the 2020 annual report and are available for download at www.colas.com.

The profit available for distribution, which consists of net profit of 210,604,716.85 euros plus retained earnings brought forward of 818,382,437.08 euros, amounts to 1,028,987,153.93 euros.

The Board of Directors proposes paying out a total dividend of 94,698,047.10 euros and transferring the remaining balance of 2020 earnings, that is 115,906,669.75 euros, to retained earnings (which would then stand at 934,289,106.83 euros after appropriation of 2020 income). The payout represents a dividend of 2.90 euros per share, for each of the 32,654,499 existing shares. For individuals, this dividend is optionally eligible for the 40% tax allowance provided for under Article 158-3-2° of the French General Tax Code. The dividend would be paid as of May 5, 2021.

### RESOLUTION 4

**Approval of regulated agreements and commitments**

#### Subject and purpose

Approve the regulated agreements entered into directly or indirectly during fiscal year 2020 between Colas and:

- one of its company officers (senior executives, Directors);
- a company in which a company officer of Colas is also appointed as a company officer;
- a shareholder holding more than 10% of Colas' voting rights.

As required by law, these agreements were given prior approval by the Board of Directors before they were entered into, with the Directors concerned not taking part in the proceedings. The special report of the Statutory Auditors on regulated agreements is included in this annual report. The agreements stated in the special report already approved by previous shareholders' meetings will not be submitted for another vote at the Shareholders' Meeting.

### RESOLUTIONS 5 AND 6

**Approval of the compensation policy for company officers (advance say on pay)**

#### Subject and purpose

The compensation of company officers is rightly coming under increasing scrutiny from shareholders and investors, and the transparency requirements concerning this compensation as well as the powers of the Shareholders' Meeting have been tightened up in recent regulations. The 2020 annual report and the draft resolutions that we are requesting you to approve accommodate these changes:

- in the fifth resolution, you are requested to approve the compensation policy for executive company officers;
- in the sixth resolution, you are requested to approve the compensation policy for Directors and Advisory Board members.

This policy was signed off by the Board of Directors, based on the proposals submitted by the Selection and Compensation Committee. It contributes to the Company's long-term viability and is aligned with its commercial strategy. It is presented in the "Compensation policy" section of the report on corporate governance.

### RESOLUTIONS 7, 8 AND 9

**Approval of the compensation for company officers in 2020 (retrospective say on pay)**

#### Subject and purpose

The report on corporate governance presents in the "Compensation for company officers in 2020" section the requisite disclosures concerning the compensation of company officers (Chairman of the Board of Directors, Chief Executive Officer, Directors):

- paid during fiscal year 2020; or
- awarded in respect of that same fiscal year.

Pursuant to Article L.22-10-34-I of the French Commercial Code, we hereby request, under the seventh resolution, that you approve all this information.

Subsequently, under two separate resolutions, in accordance with II of Article L.22-10-34 of the French Commercial Code, we request that you approve respectively the compensation paid in 2020 – or awarded in respect of that same fiscal year – for performing their duties:

— to Frédéric Gardès, Chief Executive Officer (eighth resolution);
— to Olivier Roussat, Chairman of the Board of Directors (ninth resolution);

## RESOLUTION 10

### Ratification of Frédéric Gardès' appointment as a Director

#### Subject and purpose

To duly note:

— the resignation of Olivier Roussat as Chairman of the Company's Board of Directors on February 16, 2021; Olivier Roussat nevertheless retains his directorship;
— the decision by the Board of Directors at its meeting on February 16, 2021, on the recommendation of the Selection and Compensation Committee, in accordance with Article L.225-17 par. 3 of the French Commercial Code, to co-opt Frédéric Gardès as a Director and to appoint him as Chairman of the Board of Directors for a term of two years, that is until the close of the Ordinary Shareholders' Meeting to be called in 2023 to approve the financial statements for the fiscal year ending December 31, 2022;
— the decision by the Board of Directors at its meeting on February 16, 2021 to extend by another year the term of office of Frédéric Gardès, the Chief Executive Officer, to align it with his term of office as Chairman of the Board of Directors, that is until the close of the Ordinary Shareholders' Meeting to be called in 2023 to approve the financial statements for the fiscal year ending December 31, 2022;

To decide to ratify the co-option of Frédéric Gardès as a Director.

#### Term of office

In accordance with the Company's bylaws, the directorship of Frédéric Gardès would be for two years, expiring at the close of the Ordinary Shareholders' Meeting called to approve in 2023 the financial statements for the fiscal year ending December 31, 2022.

## RESOLUTIONS 11, 12, 13 AND 14

### Renewal of the directorship of Colette Lewiner, Olivier Bouygues, Olivier Roussat and Bouygues SA

#### Subject and purpose

Renew the directorships of Colette Lewiner, Olivier Bouygues, Olivier Roussat and Bouygues SA, whose term of office expires at the close of the Shareholders' Meeting of April 20, 2021.

#### Term of office

In accordance with the Company's bylaws, this term of office would be for two years, expiring at the close of the Ordinary Shareholders' Meeting called to approve in 2023 the financial statements for the fiscal year ending December 31, 2022.

## RESOLUTION 15

### Appointment of Stéphanie Rivoal as a Director to replace Martine Gavelle

#### Subject and purpose

The directorship of Martine Gavelle expires at the close of the Shareholders' Meeting of April 20, 2021.

At its meeting of February 16, 2021, the Board of Directors proposed the appointment of Stéphanie Rivoal to replace Martine Gavelle at the recommendation of the Selection and Compensation Committee.

#### Stéphanie Rivoal's bio

Stéphanie Rivoal is a graduate of the ESSEC business school (1990-93).

She began her career as an investment analyst working for Goldman Sachs in London between 1993 and 1994. After a decade in investment banking, including as Senior Vice-President of JPMorgan Chase in London, she decided to leave finance in 2003 to devote all herself full-time to photography, one of her lifelong passions.

Some of her photos have been used to illustrate various books about Paris and London.

Two years later, she became involved with the Action Contre la Faim (ACF, Action Against Hunger) charity and was sent on an assignment as a coordinator to Darfur.

This life-changing experience prompted her to publish her first work entitled Darfur, a collection of text and photography.

Stéphanie has been a member of ACF's board of directors since 2007, initially as treasurer, then vice-president, before being appointed as chairwoman in 2013.

In 2015, she was also made *Chevalier de l'Ordre de la Légion d'honneur,* an honor awarded in recognition of her 21 years of service and her unstinting commitment to humanitarian causes.

In 2016, she was named as France's ambassador to Uganda, before serving as Secretary General at the Africa-France summit.

#### Term of office

In accordance with the Company's bylaws, this term of office would be for two years, expiring at the close of the Ordinary Shareholders' Meeting called to approve in 2023 the financial statements for the fiscal year ending December 31, 2022.

## RESOLUTION 16

### Reappointment of Mazars as Principal Statutory Auditor

The appointment as Statutory Auditor of Mazars (Principal Statutory Auditor) expires at the close of the Shareholders' Meeting on April 20, 2021. We propose that you extend Mazars' appointment as Statutory Auditor for a period of six fiscal years, in accordance with the law.

Under the law, Statutory Auditors are entrusted with a general role of auditing and monitoring the Company's affairs. They are notably required to issue an opinion, in complete independence, as to whether the parent company and consolidated financial statements for the previous fiscal year, which are submitted for the Shareholders' Meeting's approval, provide a true and fair view.

As a *société anonyme* publishing consolidated financial statements, Colas is required to have at least two Statutory Auditors, each independent of the other.

## RESOLUTION 17

### Non-renewal of Thierry Colin's appointment as Substitute Statutory Auditor

The appointment as Substitute Statutory Auditor of Thierry Colin expires at the close of the Shareholders' Meeting on April 20, 2021.

Since the Principal Statutory Auditor (Mazars) is neither an individual nor a single-person company, the Board of Directors proposes, in accordance with the provisions of Article L.823-1 of the French Commercial Code and subject to the adoption of the sixteenth resolution, not to appoint a Substitute Statutory Auditor to replace Thierry Colin.

## RESOLUTION 18

### Authorization for the Company to buy back its own shares

#### Subject and purpose

Renew the authorization granted to the Company to repurchase its own shares under a share buyback program. The Company is requesting that the Shareholders' Meeting authorize it to buy back its own shares in an amount not exceeding 1% of share capital. This authorization would cover the following purposes:

— reduce the share capital through the retirement of shares as provided for by law, subject to approval at the Extraordinary Shareholders' Meeting;

— provide liquidity and an active market for the Company's shares through the intermediary of an investment services provider acting within the framework of a liquidity agreement in accordance with a code of ethics recognized by the AMF.

In 2020, purchases of the Company's own shares consisted of the acquisition of 6,426 shares (trading position – *en position négociée*) and the sale of 5,863 shares (trading position – *en position négociée*) via the intermediary of an investment services provider acting within the framework of a liquidity agreement in accordance with a code of ethics approved by the AMF.

#### Upper limits of the authorization

The authorization would be granted subject to the following restrictions:

— 1% of share capital;

— maximum purchase price: 180 euros per share;

— maximum budget: 58,778,100 euros.

#### Length of authorization

Eighteen months.

## RESOLUTION 19

### Powers to carry out all necessary formalities

#### Subject and purpose

Arrange for the completion of all legal and administrative formalities and all filings and notices.

# 2.2. Resolutions for the Extraordinary Shareholders' Meeting

## RESOLUTION 20

### Option of reducing the share capital by retiring shares

#### Subject and purpose

Authorize the Board of Directors, should it so deem appropriate, to reduce the share capital on one or more occasions, subject to a maximum of 10% of the share capital per twenty-four-month period, by retiring some or all of the shares the Company holds as a result of any authorization to buy back shares granted by the Shareholders' Meeting.

#### Upper limits of the authorization

Option of retiring up to 10% of the share capital per 24-month period.

#### Length of authorization

Eighteen months.

## RESOLUTIONS 21, 22, 23, 24 AND 25

### Authorizations and delegations of powers to increase the Company's share capital

#### Subject and purpose

Renew the financial authorizations given to the Board of Directors potentially affecting the share capital. The purpose of these resolutions is to extend the Board of Directors' authority, under the terms and conditions and subject to ceilings set by the Shareholders' Meeting, so it is in a position to finance the Company's development and to proceed with financial transactions appropriate for its strategy, without having to call special Extraordinary Shareholders' Meetings.

#### Length of authorizations

Eighteen months.

## RESOLUTION 26

### Delegation of authority to the Board of Directors for the purposes of amending the bylaws to ensure compliance

#### Subject and purpose

Authorize the Board of Directors to make any amendments necessary to the bylaws to ensure their compliance with legal and regulatory provisions.

Any amendments to the bylaws will be subject to ratification at the next Extraordinary Shareholders' Meeting.

#### Length of authorization

One year (until the close of the Shareholders' Meeting to be called to approve in 2022 the financial statements for the fiscal year ending December 31, 2021).

## RESOLUTION 27

### Powers to carry out all necessary formalities

#### Subject and purpose

Arrange for the completion of all legal and administrative formalities and all filings and notices.

# 3. PROPOSED RESOLUTIONS

## 3.1. Ordinary Shareholders' Meeting Resolutions

### FIRST RESOLUTION

**Approval of the annual parent company financial statements**

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, having examined the parent company financial statements for the fiscal year ended December 31, 2020, the Board of Directors' management report and the Statutory Auditors' report on the parent company financial statements, approves the parent company financial statements for the fiscal year ended December 31, 2020, which show a net profit of 210,604,716.85 euros, as well as the transactions reflected in these financial statements and summarized in these reports.

The Shareholders' Meeting grants full discharge to the Directors for their management.

The Shareholders' Meeting recognizes that the expenses specified in Articles 39-4 and 223 *quater* of the French General Tax Code, which are not deductible for corporate income tax purposes, totaled 0 euros for fiscal year 2020.

### SECOND RESOLUTION

**Approval of the annual consolidated financial statements**

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, having examined the consolidated financial statements for the fiscal year ended December 31, 2020, the Board of Directors' report on the Group's management included in the management report in accordance with Article L.233-26 of the French Commercial Code, and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the fiscal year ended December 31, 2020, which show a net profit attributable to the Group of 94 million euros, as well as the transactions reflected in these financial statements and summarized in these reports.

### THIRD RESOLUTION

**Earnings and earnings appropriation**

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that in view of the net profit of 210,604,716.85 euros, and retained earnings of 818,382,437.08 euros, distributable income amounts to 1,028,987,153.93 euros.

It decides, on the proposal of the Board of Directors, to appropriate distributable income as follows:

— a dividend payout of 2.90 euros per share, representing a total of 94,698,047.10 euros;

— allocation of the balance of 934,289,106.83 euros to retained earnings.

The Shareholders' Meeting therefore sets the dividend for the fiscal year ended December 31, 2020 at 2.90 euros per entitled share.

The dividend will be payable in cash on May 5, 2021.

The entire dividend is optionally eligible for the 40% tax allowance provided for under Article 158-3-2° of the French General Tax Code.

If, as of the date of payment, the Company holds some of its own shares, the sum corresponding to the amount of the dividend not paid out in respect of these shares will be allocated to retained earnings.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, you are reminded that the amounts paid out in the form of dividends in respect of the last three fiscal years were as follows:

| | Fiscal year ended | | |
|---|---|---|---|
| | December 31, 2017 | December 31, 2018 | December 31, 2019 |
| Number of shares in issue | 32,654,499 | 32,654,499 | 32,654,499 |
| Dividend per share | €8.20 (2) | €5.55 (2) | €6.40 (2) |
| Total dividend (1) | €267,754,911.60 | €181,124,327.70 | €208,852,608.40 |

*(1) The stated amounts represent dividends actually paid; shares bought back by the Company carry no dividend rights.*

*(2) Amount optionally eligible, for persons subject to income tax, for the 40% tax allowance provided for in Article 158-3-2° of the French General Tax Code.*

## FOURTH RESOLUTION

### Approval of the agreements and commitments specified in Articles L.225-38 *et seq.* of the French Commercial Code

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, having examined the Statutory Auditors' special report on regulated agreements and commitments, and pursuant to the provisions of Articles L.225-38 *et seq.* of the French Commercial Code, approves the regulated agreements and commitments presented in this report and not yet approved by the Shareholders' Meeting.

## FIFTH RESOLUTION

### Approval of the compensation policy for executive company officers

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, pursuant to Article L.22-10-8-II of the French Commercial Code, having familiarized itself with the report on corporate governance, approves the compensation policy for executive company officers.

## SIXTH RESOLUTION

### Approval of the compensation policy for Directors and Advisory Board members

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, pursuant to Article L.22-10-8-II of the French Commercial Code, having familiarized itself with the report on corporate governance, approves the compensation policy for Directors and Advisory Board members.

## SEVENTH RESOLUTION

### Approval of the compensation disclosures concerning company officers required by I of Article L.22-10-9 of the French Commercial Code

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, pursuant to Article L.22-10-34-I of the French Commercial Code, having familiarized itself with the report on corporate governance, approves the disclosures made pursuant to Article L.22-10-9-I of the French Commercial Code.

## EIGHTH RESOLUTION

### Approval of the items of compensation and benefits paid during or awarded in respect of fiscal year 2020 to Frédéric Gardès

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, pursuant to Article L.22-10-34-II of the French Commercial Code, having familiarized itself with the report on corporate governance, approves the fixed, variable and exceptional components of total compensation and benefits of any kind paid during the fiscal year ended December 31, 2020 or awarded in respect of that same fiscal year to Frédéric Gardès.

## NINTH RESOLUTION

### Approval of the items of compensation and benefits paid during or awarded in respect of fiscal year 2020 to Olivier Roussat

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, pursuant to Article L.22-10-34-II of the French Commercial Code, having familiarized itself with the report on corporate governance, approves the fixed, variable and exceptional components of total compensation and benefits of any kind paid during the fiscal year ended December 31, 2020 or awarded in respect of that same fiscal year to Olivier Roussat.

## TENTH RESOLUTION

### Ratification of Frédéric Gardès' appointment as a Director

The Shareholders' Meeting, meeting the quorum and majority requirements for Ordinary Shareholders' Meetings and having duly noted:

- the resignation of Olivier Roussat as Chairman of the Company's Board of Directors on February 16, 2021;
- the decision by the Board of Directors at its meeting on February 16, 2021, on the recommendation of the Selection and Compensation Committee, in accordance with Article L.225-17 par. 3 of the French Commercial Code, to co-opt Frédéric Gardès as a Director and to appoint him as Chairman of the Board of Directors for a term of two years, that is until the close of the Shareholders' Meeting to be called in 2023 to approve the financial statements for the fiscal year ending December 31, 2022;
- the decision by the Board of Directors at its meeting on February 16, 2021 to extend by another year the term of office of Frédéric Gardès, the Chief Executive Officer, to align it with his term of office as Chairman of the Board of Directors, that is until the close of the Shareholders' Meeting to be called in 2023 to approve the financial statements for the fiscal year ending December 31, 2022;

decides to ratify said co-option and to appoint Frédéric Gardès as a Director for a term of two years, that is until the close of the Shareholders' Meeting called in 2023 to approve the financial statements for the fiscal year ending December 31, 2022.

## ELEVENTH RESOLUTION

### Renewal of the directorship of Colette Lewiner

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, renews Colette Lewiner's directorship for a term of two years that shall expire at the end of the Shareholders' Meeting to be called in 2023 to approve the financial statements for fiscal year 2022.

## TWELFTH RESOLUTION

### Renewal of the directorship of Olivier Bouygues

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, renews Olivier Bouygues' directorship for a term of two years that shall expire at the end of the Shareholders' Meeting to be called in 2023 to approve the financial statements for fiscal year 2022.

## THIRTEENTH RESOLUTION

### Renewal of the directorship of Olivier Roussat

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, renews Olivier Roussat's directorship for a term of two years that shall expire at the end of the Shareholders' Meeting to be called in 2023 to approve the financial statements for fiscal year 2022.

## FOURTEENTH RESOLUTION

### Renewal of the directorship of Bouygues SA

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, renews Bouygues' directorship for a term of two years that shall expire at the end of the Shareholders' Meeting to be called in 2023 to approve the financial statements for fiscal year 2022.

## FIFTEENTH RESOLUTION

### Appointment of Stéphanie Rivoal as a Director to replace Martine Gavelle

The Shareholders' Meeting, meeting the quorum and majority requirements for Ordinary Shareholders' Meetings, having duly noted that the directorship of Martine Gavelle expires at the close of this Shareholders' Meeting and fully apprised of the Board of Directors' report, decides to appoint Stéphanie Rivoal as a Director to replace Martine Gavelle, for a term of two years that shall expire at the close of the Shareholders' Meeting to be called in 2023 to approve the financial statements for fiscal year 2022.

## SIXTEENTH RESOLUTION

### Reappointment of Mazars as Principal Statutory Auditor

The Shareholders' Meeting, meeting the quorum and majority requirements for Ordinary Shareholders' Meetings, renews Mazars' appointment as Principle Statutory Auditor for a term of six fiscal years that shall expire at the end of the Shareholders' Meeting to be called in 2027 to approve the financial statements for fiscal year 2026.

## SEVENTEENTH RESOLUTION

### Non-renewal of the appointment as Substitute Statutory Auditor of Thierry Colin

The Shareholders' Meeting, meeting the quorum and majority requirements for Ordinary Shareholders' Meetings, noting that Thierry Colin's appointment as Substitute Statutory Auditor has expired and that the Principal Statutory Auditor (Mazars) is neither an individual nor a single-person company, decides, in accordance with the provisions of Article L.823-1 of the French Commercial Code and subject to the adoption of the sixteenth resolution, not to appoint a Substitute Statutory Auditor to replace Thierry Colin.

## EIGHTEENTH RESOLUTION

### Authorization granted to the Board of Directors to allow the Company to carry out transactions in its own shares

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, having examined the report of the Board of Directors and pursuant to applicable regulations, in particular Article L.22-10-62 of the French Commercial Code and the provisions of the General Regulation of the AMF:

1. authorizes the Board of Directors to purchase or arrange for the purchase of a maximum of 326,545 Company shares, subject to continuing compliance with the maximum ownership threshold defined in Article L.225-210 of the French Commercial Code;
2. decides that the main objectives of this authorization granted to the Company to acquire its own shares, corresponding either to a market practice allowed by the AMF, an objective set out in European regulation on market abuse, or by an objective set out in Article L.22-10-62 of the French Commercial Code, shall chiefly be (i) the potential retirement of the shares bought back, provided this has been authorized by an Extraordinary Shareholders' Meeting, (ii) providing liquidity and an active market for Company shares through the intermediary of an investment services provider acting within the framework of a liquidity agreement in accordance with a code of ethics recognized by the AMF and (iii) any market practice that may be accepted, with the understanding that the achievement of these objectives shall need to comply with applicable laws and regulations;
3. decides that the acquisition, sale or transfer by the Company of its own shares may be carried out on one or more occasions, in compliance with the AMF's rules, through any market or off-market transactions, over-the-counter trades or otherwise, by any means, notably by way of block purchases or sales or the use of derivatives, and at any time, in particular during a public offering period for the Company's shares, within the limits prescribed by applicable regulations. However, the Board of Directors shall need to ensure that the volatility of the Company's shares is not increased through its actions. The portion of the program that may be carried out through block trades is not limited and may correspond to the entire program;

4. decides that the Board of Directors may acquire shares at a maximum price per share of 180 euros, excluding acquisition costs, and that the maximum cumulative amount of funds dedicated to this share buyback program may not exceed 58,778,100 euros, corresponding to the purchase of 326,545 shares (i.e. 1% of the total number of shares constituting the Company's share capital, as of December 31, 2020) at the maximum price stated above;
5. decides that, in the event of transactions in the Company's shares during the validity period of this authorization, the maximum price per share indicated shall be adjusted by a multiplying coefficient equal to the ratio between the number of shares making up the Company's share capital before and after the transaction;
6. grants full powers to the Board of Directors to carry out this authorization and in particular to evaluate the appropriateness of initiating a share buyback program and to determine the terms thereof, in accordance with applicable legal and regulatory provisions. To this end, the Board of Directors may carry out any transactions, place any and all buy and sell orders, enter into any and all agreements, fulfill all formalities and agreements, notably with respect to maintaining registers of purchases and sales of shares, carry out all formalities and declarations with respect to the AMF and any other organization, and generally take any and all other actions required in the implementation of this authorization. The Board of Directors may delegate said powers in accordance with applicable legal and regulatory provisions;
7. determines that this delegation of authority shall be valid for a period of eighteen months as of the date of this Shareholders' Meeting and that it supersedes, where applicable, in respect of the unused amounts, any other previous delegation of authority having the same purpose.

### NINETEENTH RESOLUTION

**Powers to carry out legal requirements**

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, shall grant the bearer of a copy or extract of the minutes of this Meeting full powers to file any documents or comply with any legal requirements that may be necessary.

## 3.2. Extraordinary Shareholders' Meeting Resolutions

### TWENTIETH RESOLUTION

**Authorization given to the Board of Directors to reduce share capital by retiring Company shares that the Company owns**

The Shareholders' Meeting, which meets the quorum and majority requirements for Extraordinary Shareholders' Meetings, having examined the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of Article L.22-10-62 of the French Commercial Code, hereby:

1. authorizes the Board of Directors to retire, or sub-delegate the retirement of, at its sole discretion, on one or more occasions, all or a portion of the Company's shares the Company holds as the result of the share-buyback authorizations granted by the Shareholders' Meeting to the Board of Directors, subject to a maximum of 10%, per twenty-four-month period, of the total number of shares constituting the Company's share capital, and to correspondingly reduce the share capital;
2. grants full powers to the Board of Directors, including the option to sub-delegate such powers, to carry out any share capital decrease resulting from the retirement of shares authorized under this resolution (particularly to offset the difference between the purchase value of the securities canceled and their par value from the premiums and reserves available, including the statutory reserve for 10% of the share capital canceled) and to amend the bylaws accordingly;
3. determines that this delegation of authority shall be valid for a period of eighteen months as of the date of this Shareholders' Meeting and that it supersedes, where applicable, in respect of the unused amounts, any other delegation of authority having the same purpose.

### TWENTY-FIRST RESOLUTION

**Delegation of authority granted to the Board of Directors to increase the share capital, with preferential subscription rights maintained, by the issue of shares or investment securities conferring entitlement to Company shares**

The Shareholders' Meeting, which meets the quorum and majority requirements for Extraordinary Shareholders' Meetings, having examined the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of the French Commercial Code, and particularly its Articles L.225-129 *et seq.* and L.228-92 et seq., hereby:

1. delegates its authority to the Board of Directors to increase the Company's share capital, with the option to sub-delegate this authority as provided by law, on one or more occasions, in such amounts, at such times, and on such terms and conditions that it may deem fit, by the issue, with preferential subscription rights for existing shareholders, on the French and/or any foreign market, whether denominated in euros, any foreign currency, or any other accounting unit based on a basket of currencies, of (i) ordinary shares in the Company as well as (ii) any other type of investment securities, whether for consideration or not, giving immediate and/or future access by any means, at any time or on a specific date, to new ordinary shares in the Company, which may be subscribed for in cash and/or by offsetting receivables;

2. decides that the maximum aggregate nominal value represented by all capital increases that may be carried out immediately and/or over time under this delegation of authority is set to ten million euros or the equivalent of this amount, with the understanding that:
   – to this ceiling shall be added, where applicable, the aggregate nominal value of any additional shares to be issued, as provided by legislative and regulatory provisions and, where applicable, by contractual requirements providing for other cases of adjustment, to protect the rights of holders of investment securities giving access to the Company's share capital, of holders of options to subscribe for or purchase newly issued shares, or of beneficiaries of bonus share allocations,
   – this ceiling constitutes the overall ceiling for capital increases that may be carried out under the delegation of authority granted by this resolution as well as those granted by the twenty-second, twenty-third and twenty-fourth resolutions, and
   – the total nominal amount of capital increases carried out under these resolutions shall be offset against this overall ceiling;
3. decides that the investment securities giving access to new ordinary shares in the Company thus issued may notably comprise debt securities, other securities issued together with this type of instrument, or allow the issue thereof as intermediate securities. In particular, these securities may be subordinated or unsubordinated, dated or undated, and may be denominated in euros, any foreign currency, or any other accounting unit based on a basket of currencies;
4. decides that the bonds giving access to new ordinary shares in the Company thus issued may bear interest at a fixed and/or variable rate or may involve the capitalization of interest, may be subject to redemption prior to maturity, with or without a premium, which may be amortized, and that the securities may also be the focus of share repurchases on the stock market or a tender or exchange offer by the Company;
5. decides that the aggregate nominal value of all debt securities that may be issued under this delegation of authority must not exceed ten million euros or the equivalent of this amount, with the understanding that:
   – this ceiling constitutes the overall ceiling for the aggregate nominal value of all debt securities that may be issued under the delegation of authority granted by this resolution together with the aggregate nominal value of all debt securities that may be issued under the twenty-second, twenty-third and twenty-fourth resolutions, and
   – this ceiling is separate and distinct from the amount of debt securities and/or securities representing receivables that grant entitlement to debt instruments whose issue may be decided or authorized by the Board of Directors, in accordance with Article L.228-40 of the French Commercial Code;
6. decides, should the Board of Directors make use of this delegation of authority, that:
   – the shareholders shall have an irrevocable pro rata entitlement to subscribe for the ordinary shares and/or investment securities that would be issued under this resolution,
   – the Board of Directors shall also have the option to grant shareholders an additional entitlement, which may be reduced, to subscribe for excess shares and/or investment securities that would be exercised in proportion to their rights and in line with their applications,
   – if subscriptions for new shares and/or securities by way of the irrevocable pro rata entitlement and, where applicable, for excess shares and/or securities by way of the additional entitlement, which may be reduced, do not absorb the entirety of an issue of ordinary shares and/or investment securities carried out under this delegation of authority, the Board of Directors may, in the order that it deems appropriate, either:
     – limit the issue to the amount of subscriptions received, provided that at least three-fourths of the decided issue is subscribed,
     – freely allocate some or all of the shares and/or securities that have not been subscribed, or
     – offer some or all of the shares and/or securities that have not been subscribed to the public on the French and/or international markets and/or on any foreign market,
   – the Board of Directors shall determine the terms and conditions, specific characteristics, and amount of any issuance and of the securities issued. In particular, it shall determine the type of securities to be issued and shall set their subscription price, with or without premium, the terms and conditions under which payment for the securities shall be made, the date from which they shall have dividend rights, possibly with retroactive effect, as well as, where applicable, the terms under which the investment securities issued under this resolution shall give access to new ordinary shares in the Company, in accordance with legislation in force, as well as the conditions under which recipients' entitlement to investment securities giving access to ordinary shares shall be temporarily suspended, pursuant to applicable legal provisions,
   – in the event that securities representing receivables that grant entitlement to the Company's share capital are issued, the Board of Directors shall decide whether these securities are subordinated or unsubordinated (and, where applicable, their subordination rank, in accordance with the provisions of Article L.228-97 of the French Commercial Code), and shall set their interest rate (particularly fixed, floating, zero-coupon or indexed interest), their duration (dated or undated) and other details relating to their issue and repayment or amortization; since the securities may be the focus of share repurchases on the stock market or a tender or exchange offer by the Company, the Board of Directors shall set the terms and conditions under which these securities will give access to the Company's share capital, and shall update the terms and conditions abovementioned over the duration of the securities concerned, in accordance with the applicable formalities;
7. decides that the Board of Directors shall have all powers, with the option to sub-delegate said powers as provided by law, to implement this delegation and in particular by executing any agreement for this purpose, especially in order to ensure the successful completion of any capital increase, to proceed with the abovementioned issuances, on one or more occasions, in such amounts and at such times as it may deem fit, on the French market and/or, where applicable, any foreign market and/or the international market – and also, where appropriate, to suspend any issuance – to record the completion of each capital increase and amend the Company's bylaws accordingly, as well as to carry out any formalities, file any declarations, and obtain any authorizations found to be necessary for carrying out the issuances and ensuring their successful completion;

8. takes note that this delegation of authority entails the waiver by shareholders, in favor of the holders of the investment securities issued, of their preferential rights to subscribe for the shares in the Company to which the investment securities may confer entitlement;
9. determines that this delegation of authority shall be valid for a period of twenty-six months as of the date of this Meeting and that it supersedes, where applicable in respect of the unused amounts, any prior delegation of authority having the same purpose.

## TWENTY-SECOND RESOLUTION

### Delegation of authority granted to the Board of Directors to increase the share capital by way of a public offering, with preferential subscription rights canceled, of shares or investment securities giving access to the Company's share capital

The Shareholders' Meeting, which meets the quorum and majority requirements for Extraordinary Shareholders' Meetings, having examined the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of the French Commercial Code, particularly Articles L.225-129-2 *et seq.*, L.225-135, L.225-136 and L.228-92 *et seq.*, hereby:

1. delegates its authority to the Board of Directors to increase the Company's share capital, with the option to sub-delegate this authority as provided by law, on one or more occasions, in such amounts and at such times that it may deem fit, by way of a public offering (other than those offerings provided for in Article L.411-2 of the French Monetary and Financial Code), without preferential subscription rights for existing shareholders, on the French and/or any foreign market, whether denominated in euros, any foreign currency, or any other accounting unit based on a basket of currencies, of (i) ordinary shares in the Company as well as (ii) any other type of investment securities giving immediate and/or future access by any means to new ordinary shares in the Company, which may be subscribed for either in cash or by offsetting receivables;
2. decides that the maximum aggregate nominal value represented by all capital increases that may be carried out immediately or over time under this delegation of authority is set to ten million euros or the equivalent of this amount, with the understanding that (i) to this ceiling shall be added, where applicable, the aggregate nominal value of any additional shares to be issued, as provided by legislative and regulatory provisions and, where applicable, by contractual requirements providing for other cases of adjustment, to protect the rights of holders of investment securities giving access to the Company's share capital, of holders of options to subscribe for or purchase newly issued shares, or of beneficiaries of bonus share allocations, (ii) this amount shall be offset against the overall ceiling set forth in section 2 of the twenty-first resolution;
3. decides that the investment securities giving access to new ordinary shares in the Company thus issued may comprise debt securities, other securities issued together with this type of instrument, or allow the issue thereof as intermediate securities. In particular, these securities may be subordinated or unsubordinated, dated or undated, and may be denominated in euros, any foreign currency, or any other accounting unit based on a basket of currencies;
4. decides that the bonds giving access to new ordinary shares in the Company thus issued may bear interest at a fixed and/or variable rate or may involve the capitalization of interest, may be subject to redemption prior to maturity, with or without a premium, which may be amortized, and that the securities may also be the focus of share repurchases on the stock market or a tender or exchange offer by the Company;
5. decides that the maximum aggregate nominal value of securities representing receivables that grant entitlement to the Company's share capital must not exceed ten million euros or the equivalent of this amount, with the understanding that:
   - **(i)** this amount shall be offset against the overall ceiling set forth in section 5 of the twenty-first resolution, and
   - **(ii)** this ceiling is separate and distinct from the amount of debt securities and/or securities representing receivables that grant entitlement to debt instruments whose issue may be decided or authorized by the Board of Directors, in accordance with Article L.228-40 of the French Commercial Code;
6. decides to cancel the preferential rights of shareholders to subscribe for ordinary shares and/or securities to be issued on the basis of this delegation of authority, and to give the Board of Directors the power to grant a priority right to shareholders, in respect of their pro rata entitlements and/or in respect of excess applications that may be reduced, to subscribe for these securities pursuant to the provisions of Article L.22-10-51 of the French Commercial Code. If subscriptions, including, where applicable, those of existing shareholders, do not absorb the entirety of an issue of securities, the Board of Directors may limit the amount of the capital increase as provided by law;
7. takes note that this delegation of authority entails the waiver by shareholders of their preferential rights to subscribe for the ordinary shares in the Company to which the investment securities that would be issued under this delegation of authority may confer entitlement;
8. decides that the Board of Directors shall determine the terms and conditions, specific characteristics, and amount of any issuance and of the securities issued. In particular, it shall determine the type of securities to be issued and shall set their subscription price, with or without premium, the date, possibly with retroactive effect, from which they shall have dividend rights, as well as, where applicable, the period during which or the terms under which the investment securities issued under this resolution shall give access to new ordinary shares in the Company, in accordance with legislation in force, as well as the conditions under which recipients' entitlement to investment securities giving access to ordinary shares shall be temporarily suspended, pursuant to applicable legal provisions;
9. decides, pursuant to Article L.22-10-52 of the French Commercial Code, that the issue price of ordinary shares and investment securities shall be such that the amount immediately collected by the Company plus, where applicable, any amount that may be collected by the Company at a later date shall, for each ordinary share issued, be at least equal to the minimum amount provided

by regulations in force at the time when this delegation of authority is used, i.e. as of the date of this Meeting and pursuant to the provisions of Article R.22-10-32 of the French Commercial Code, to the weighted average of the share price over the three trading days preceding its determination less, where applicable, a discount not to exceed 5%;

10. decides that in the event that securities representing receivables that grant entitlement to the Company's share capital are issued, the Board of Directors shall decide whether these securities are subordinated or unsubordinated (and, where applicable, their subordination rank, in accordance with the provisions of Article L.228-97 of the French Commercial Code), and shall set their interest rate (particularly fixed, floating, zero-coupon or indexed interest), their duration (dated or undated) and other details relating to their issue and repayment or amortization; since the securities may be the focus of share repurchases on the stock market or a tender or exchange offer by the Company, the Board of Directors shall set the terms and conditions under which these securities will give access to the Company's share capital, and shall update the terms and conditions mentioned above over the duration of the securities concerned, in accordance with the applicable formalities;
11. decides that the Board of Directors shall have all powers, with the option to sub-delegate said powers as provided by law, to implement this delegation and in particular by executing any agreement for this purpose, especially in order to ensure the successful completion of any capital increase, to proceed with the issuances referenced above, on one or more occasions, in such amounts and at such times as it may deem fit, on the French market and/or, where applicable, any foreign market and/or the international market – and also, where appropriate, to suspend any issuance – to record the completion of each capital increase and amend the Company's bylaws accordingly, as well as to carry out any formalities, file any declarations, and obtain any authorizations found to be necessary for carrying out the issuances and ensuring their successful completion;
12. determines that this authorization shall be valid for a period of twenty-six months as of the date of this Meeting and that it supersedes, where applicable in respect of the unused amounts, any prior delegation of authority having the same purpose.

## TWENTY-THIRD RESOLUTION

### Delegation of authority granted to the Board of Directors for the purpose of issuing, by way of an offering to the persons referred to in Article L.411-2-1° of the French Monetary and Financial Code, shares and investment securities giving access to the Company's share capital, with preferential subscription rights canceled

The Shareholders' Meeting, which meets the quorum and majority requirements for Extraordinary Shareholders' Meetings, having examined the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of the French Commercial Code, particularly Articles L.225-129 *et seq.*, L.225-135, L.225-136, L.22-10-51, L.22-10-52 and L.228-92 *et seq.*, and Article L.411-2-1° of the French Monetary and Financial Code, hereby:

1. delegates its authority to the Board of Directors to increase the Company's share capital, with the option to sub-delegate this authority as provided by law, on one or more occasions, in such amounts and at such times that it may deem fit, by way of one or more offerings provided for in Article L.411-2-1° of the French Monetary and Financial Code, without preferential subscription rights for existing shareholders, on the French and/or any foreign market, whether denominated in euros, any foreign currency, or any other accounting unit based on a basket of currencies, of (i) ordinary shares in the Company as well as (ii) any other type of investment securities giving immediate and/or future access by any means to new ordinary shares in the Company, which may be subscribed for either in cash or by offsetting receivables;
2. decides that the aggregate nominal value represented by any capital increases that may be carried out, whether immediately or over time, under this resolution may not exceed either 20% of the share capital over a period of twelve months or ten million euros or the equivalent of this amount, with the understanding that (i) to this amount shall be added, where applicable, the aggregate nominal value of any additional shares to be issued, as provided by legislative and regulatory provisions and, where applicable, by contractual requirements providing for other cases of adjustment, to protect the rights of holders of investment securities giving access to the Company's share capital, of holders of options to subscribe for or purchase newly issued shares, or of beneficiaries of bonus share allocations, and (ii) this amount shall be offset against the overall ceiling set forth in section 2 of the twenty-first resolution;
3. decides that the investment securities giving access to ordinary shares in the Company issued under this resolution may comprise debt securities, other securities issued together with this type of instrument, or allow the issue thereof as intermediate securities. In particular, these securities may be subordinated or unsubordinated, dated or undated, and may be denominated in euros, any foreign currency, or any other accounting unit based on a basket of currencies;
4. decides that the bonds giving access to new ordinary shares in the Company thus issued may bear interest at a fixed and/or variable rate or may involve the capitalization of interest, may be subject to redemption prior to maturity, with or without a premium, which may be amortized, and that the securities may also be the focus of share repurchases on the stock market or a tender or exchange offer by the Company;
5. decides that the maximum aggregate nominal value of securities representing receivables that grant entitlement to the Company's share capital must not exceed ten million euros or the equivalent of this amount, with the understanding that:
   - this amount shall be offset against the overall ceiling set forth in section 5 of the twenty-first resolution, and
   - this ceiling is separate and distinct from the amount of debt securities and/or securities representing receivables that grant entitlement to debt instruments whose issue may be decided or authorized by the Board of Directors, in accordance with Article L.228-40 of the French Commercial Code;

6. decides to cancel the preferential rights of shareholders to subscribe for the ordinary shares and/or investment securities to be issued under this delegation of authority;
7. takes note that this delegation of authority entails the waiver by shareholders of their preferential rights to subscribe for the ordinary shares in the Company to which the investment securities that would be issued under this delegation of authority may confer entitlement;
8. decides that the Board of Directors shall determine the terms and conditions, specific characteristics, and amount of any issuance and of the securities issued. In particular, it shall determine the type of securities to be issued and shall set their subscription price, with or without premium, the date, possibly with retroactive effect, from which they shall have dividend rights, as well as, where applicable, the period during which or the terms under which the investment securities issued under this resolution shall give access to ordinary shares in the Company, in accordance with legislation in force, as well as the conditions under which beneficiaries' entitlement to investment securities giving access to ordinary shares in the Company shall be temporarily suspended, pursuant to applicable legal provisions;
9. decides that, pursuant to Article L.22-10-52 of the French Commercial Code, the issue price of ordinary shares and investment securities shall be such that the amount immediately collected by the Company plus, where applicable, any amount that may be collected by the Company at a later date shall, for each ordinary share issued, be at least equal to the minimum amount provided by regulations in force at the time when this delegation of authority is used, i.e. as of the date of this Meeting and pursuant to the provisions of Article R.22-10-32 of the French Commercial Code, to the weighted average of the share price over the three trading days preceding its determination less, where applicable, a discount not to exceed 5%;
10. decides that in the event that securities representing receivables that grant entitlement to the Company's share capital are issued, the Board of Directors shall decide whether these securities are subordinated or unsubordinated (and, where applicable, their subordination rank, in accordance with the provisions of Article L.228-97 of the French Commercial Code), and shall set their interest rate (particularly fixed, floating, zero-coupon or indexed interest), their duration (dated or undated) and other details relating to their issue and repayment or amortization; since the securities may be the focus of share repurchases on the stock market or a tender or exchange offer by the Company, the Board of Directors shall set the terms and conditions under which these securities will give access to the Company's share capital, and shall update the terms and conditions mentioned above over the duration of the securities concerned, in accordance with the applicable formalities;
11. decides that the Board of Directors shall have all powers, with the option to sub-delegate said powers as provided by law, to implement this delegation and in particular by executing any agreement for this purpose, especially in order to ensure the successful completion of any capital increase, to proceed with the issuances referenced above, on one or more occasions, in such amounts and at such times as it may deem fit, on the French market and/or, where applicable, any foreign market and/or the international market – and also, where appropriate, to suspend any issuance – to record the completion of each capital increase and amend the Company's bylaws accordingly, as well as to carry out any formalities, file any declarations, and obtain any authorizations found to be necessary for carrying out the issuances and ensuring their successful completion;
12. determines that this delegation of authority shall be valid for a period of twenty-six months as of the date of this Meeting and that it supersedes, where applicable in respect of the unused portion, any prior delegation of authority having the same purpose.

## TWENTY-FOURTH RESOLUTION

### Authorization to be given to the Board of Directors to raise the number of new shares to be issued in the event of a capital increase with preferential subscription rights maintained or canceled

The Shareholders' Meeting, which meets the quorum and majority requirements for Extraordinary Shareholders' Meetings, having examined the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of the French Commercial Code, in particular its Articles L.225-135-1 and R.225-118, hereby:

1. authorizes the Board of Directors, should it use the delegations of authority given under the twenty-first, twenty-second and twenty-third resolutions above, to raise the number of new shares to be issued in connection with any increase in the Company's share capital, with preferential subscription rights maintained or canceled, for a period of thirty days as of the closing date of the subscription period, in an amount not to exceed 15% of the amount originally issued, and at the same price as that applied for the original issue;
2. decides that this authorization shall not raise the maximum aggregate nominal value represented by capital increases that may be carried out, as determined overall for the twenty-first, twenty-second and twenty-third resolutions. Consequently, the maximum aggregate nominal value represented by capital increases that may be carried out under this delegation of authority shall be offset against the ceiling for capital increases set for each delegation of authority given above by this Shareholders' Meeting;
3. grants the Board of Directors full powers to implement this delegation of authority in accordance with applicable legal and regulatory provisions;
4. determines that this delegation of authority shall be valid for a period of twenty-six months as of the date of this Shareholders' Meeting and that it supersedes, where applicable in respect of the unused portion, any prior delegation of authority having the same purpose.

## TWENTY-FIFTH RESOLUTION

### Delegation of authority granted to the Board of Directors to increase the share capital through the capitalization of share premiums, reserves or earnings

The Shareholders' Meeting, which meets the quorum and majority requirements provided for in Article L.225-98 of the French Commercial Code, having examined the report of the Board of Directors and pursuant to the provisions of the French Commercial Code, particularly Articles L.225-129 *et seq.*, L.225-130 and L.22-10-50, hereby:

1. delegates its authority to the Board of Directors to increase the Company's share capital, with the option to sub-delegate this authority as provided by law, on one or more occasions, in such amounts and at such times that it may deem fit, through the successive or simultaneous capitalization of share premiums, reserves, earnings, or any other items as permitted by law and the bylaws, in the form of the allocation of bonus shares or an increase in the par value of existing shares, or by way of a combination of these two methods;
2. decides that the aggregate nominal value represented by any capital increases that may be carried out under this delegation of authority may not exceed ten million euros, with the understanding that to this ceiling shall be added, where applicable, the aggregate nominal value of any additional shares to be issued, as provided by legislative and regulatory provisions and, where applicable, by contractual requirements providing for other cases of adjustment, to protect the rights of holders of investment securities giving access to the Company's share capital, of holders of options to subscribe for or purchase newly issued shares, or of beneficiaries of bonus share allocations. The ceiling specified under this delegation of authority is separate and distinct from the overall ceiling set forth in section 2 of the twenty-first resolution;
3. decides, should the Board of Directors use this delegation of authority, pursuant to the provisions of Article L.22-10-50 of the French Commercial Code, that in the event of a capital increase in the form of an allocation of bonus shares, fractional rights shall be neither negotiable nor transferable, and that the corresponding shares shall be sold, with the resulting proceeds to be allocated among the holders of these rights within the period stipulated by applicable regulations;
4. decides that the Board of Directors shall have all powers, with the option to sub-delegate these powers to any other person authorized by law, to implement this delegation of authority, and generally, to take any action and complete all formalities required for the successful completion of each capital increase, to record its completion, and amend the bylaws accordingly;
5. determines that this delegation of authority shall be valid for a period of twenty-six months as of the date of this Meeting and that it supersedes, where applicable in respect of the unused amounts, any prior delegation of authority having the same purpose.

## TWENTY-SIXTH RESOLUTION

### Delegation of authority to the Board of Directors for the purposes of amending the bylaws to ensure compliance

The Shareholders' Meeting, which meets the quorum and majority requirements for Extraordinary Shareholders' Meetings, delegates to the Board of Directors, pursuant to the provisions of Article L.225-36 par. 2 of the French Commercial Code, the power to make any amendments necessary to the bylaws to ensure their compliance with legal and regulatory provisions, with such amendments subject to ratification at the next Extraordinary Shareholders' Meeting.

This delegation of authority is granted for a period of one year, ending at the close of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021.

## TWENTY-SEVENTH RESOLUTION

### Powers to carry out legal requirements

The Shareholders' Meeting, which meets the quorum and majority requirements for Ordinary Shareholders' Meetings, shall grant the bearer of a copy or extract of the minutes of this Meeting full powers to file any documents or comply with any legal requirements that may be necessary.

**The Board of Directors**

# CERTIFICATION OF THE ANNUAL FINANCIAL REPORT

# Certification of the Annual Financial Report

I hereby declare, after undertaking all due diligence to this end, that the information in this Annual Financial Report is, to my knowledge, accurate and that there are no omissions that could impair the scope of this information.

I hereby declare that to the best of my knowledge the financial statements have been drawn up in compliance with applicable accounting standards and provide an accurate view of the assets, financial position and profits of the Company and the consolidated companies, and that the management report included in this document provides an accurate image of business trends, profits and the financial position of the Company and all consolidated companies as well as a description of the main risks and uncertainties to which they are exposed.

Signed in Paris on March 25, 2021

**Frédéric Gardès**

Chairman and Chief Executive Officer

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