



ESG Report

2022 HIGHLIGHTS



Environmental Social Governance

**COMMITTED TO BEING A RESPONSIBLE
AND SUSTAINABLE BUSINESS**

Environmental Social Governance, or ESG, is an issue for the age and one which will grow in increasing importance over the coming years, and globally. As Bouygues UK is committed to being a responsible and sustainable business, our approach to Environmental, Social, and Governance (ESG) issues is informed by the Bouygues Group's global sustainability agenda and aligned with the United Nations' Sustainable Development Goals (SDGs), which we share in our ambition to create a better world.



Introduction



Fabienne Viala

Chair of Bouygues UK and
UK Country Manager for
Bouygues Construction

Throughout 2022 and as the demands of our industry evolve, Bouygues UK is making great strides in both defining and improving our ESG performance. I'm very pleased to provide an account of what we set out to achieve during that time, and the progress we have made.

At Bouygues UK, it is in our DNA to act ethically and responsibly, in the interests of our people, our planet, our clients and the communities we work in, to leave a lasting legacy. As highlighted in this report, social value and sustainability are areas of key importance for Bouygues UK, and we are fortunate to have a great team of people who have a genuine passion to apply their knowledge, skills and experience to make a difference. We know there is always more work to be done, and we are committed to continually improving our ESG performance with every new project we undertake. Measuring our success and reporting on the progress we have made in this area is essential and increasingly a

Our three objectives

Bouygues UK's purpose is to create places where people can live, learn and thrive in the built environment. Our strategic plan revolves around three objectives:



Becoming an employer of choice



Offering a 'best in class' experience to our clients



Delivering ambitious net zero targets in our offices, on our new projects and across our supply chain in order to achieve sustainable and strategic growth within our sectors of interest

measure that our clients, investors, sub-contractors, supply-chain, employees and future recruits use to decide whether they want to work with us or for us.

We are excited about the great opportunity we have to make a positive impact. I hope you find our report an interesting and thought-provoking read.

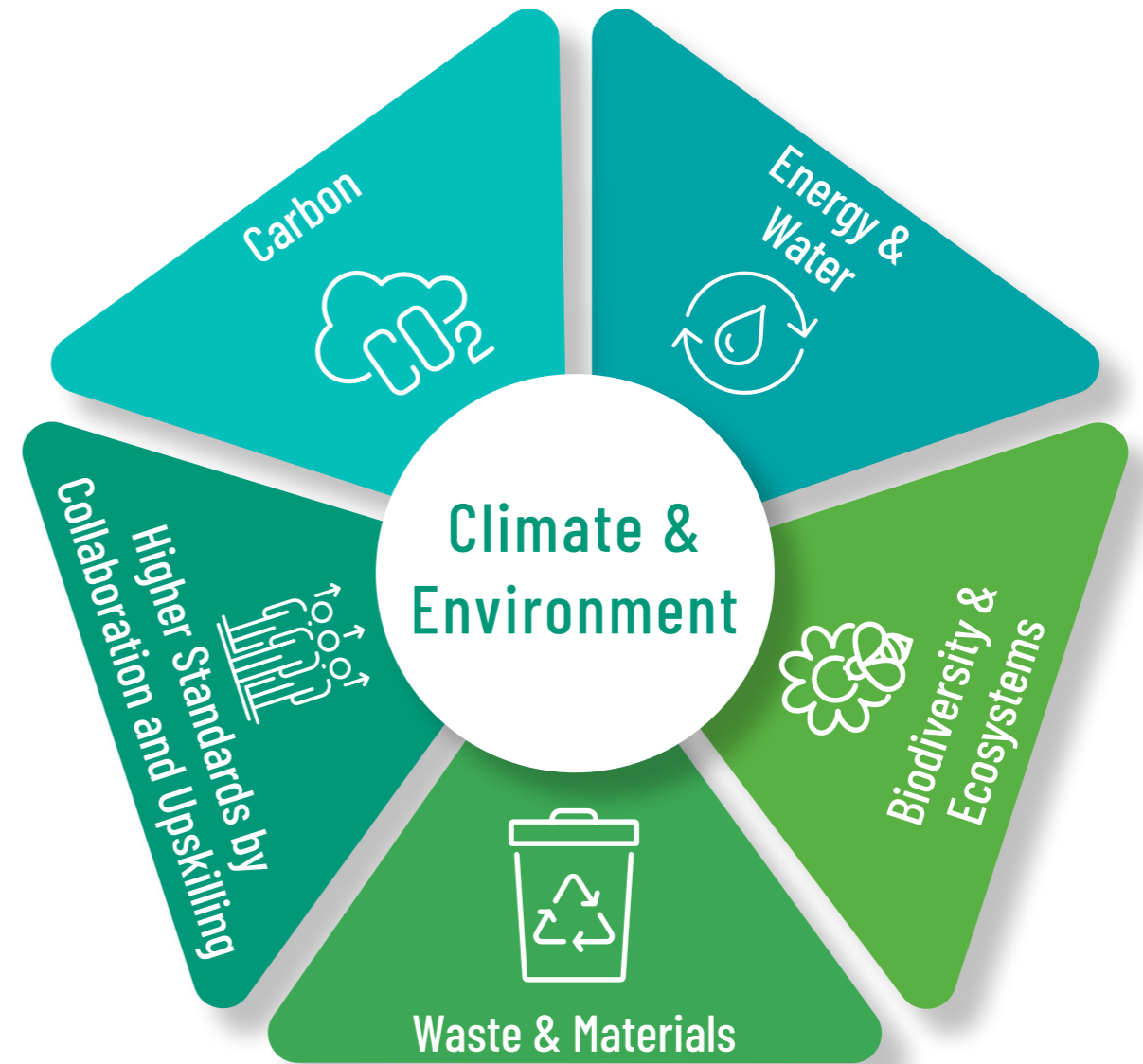
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At Bouygues UK, it is in our DNA to act ethically and responsibly.

Environmental

Climate change is unequivocally the biggest challenge humanity has ever faced and is more than just the impact of carbon emissions. It covers all things environmental: from water and resource preservation to the protection of our fragile ecosystems, from circular economy to collaborative innovation.

Bouygues UK is committed to the care and protection of our planet and as such we recognise our potential to harm the environment through our activities. It is our obligation and ambition to develop lasting systems capable of reducing this potential to cause damage to an absolute minimum whilst contributing to the protection and restoration of natural ecosystems that thrive.



We have set out our commitments to embedding climate and environment in our projects and developments under five major interconnected pillars.

Our Climate & Environment Strategy integrates 24 indicators across these pillars, of which 9 have been identified as key focuses. These indicators are further developed and analysed in our dedicated [Climate and Environment strategy and annual reports](#).





This report presents three selected indicators we wanted to highlight progressing into 2023.

We can be proud of our staff and their commitment to actively deploy our environmental strategies and action plans. We have made significant progress and as a business, we have gained maturity and perspective in defining what good looks like as well as ascertaining how we will continue to measure and improve our performance going forward.

The level of environmental awareness within the company has dramatically increased. The traction from our clients, partners, supply chain and staff has indeed accelerated this. Where we did not fulfil the targets we set out to achieve, we did not let this impede our progress but made all possible efforts to transparently admit these shortcomings and learn from them.

At Bouygues UK, every project is an opportunity to build the future and we are committed to making this our reality.



Corporate carbon emissions scopes 1 & 2 (tCO2e)



Our goal is to be **Net Zero in our operations by 2025**. In 2022 and supported by our detailed Carbon Reduction Plan, we more than halved our Carbon emissions under scopes 1&2, from 2,745kgCO2e in 2021 to 1,271kgCO2e, beyond target.

We also reduced our emissions under our Scope 3 on our trajectory towards **-30% by 2030**.



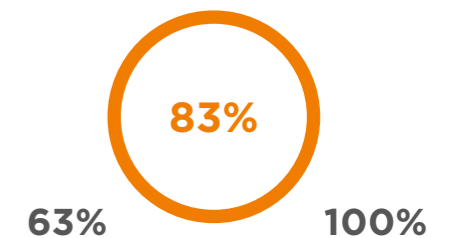
Significant | minor environmental incidents



We had **zero significant environmental incidents** and reported 6 minor incidents where early identification and intervention enabled us to prevent worse consequences. Although our target is a definite zero, these are good results. Thanks to the implementation of our bespoke Ecosite, audits and inspections, our staff are becoming not only more trained and aware of environmental matters but also more willing to play their part, regardless of their roles and positions in our business.



Staff trained on climate related matters



We have developed a variety of bespoke climate training opportunities with an attendance of 83%. **Our ambition is that 100% of our staff are trained**, from their early engagement with our business, at induction level. From Carbon workshops and reduction plans, Climate Fresks, interactive serious games, technical training and Toolbox talks, a range of tools are being made available to our staff, online and in person, on site and in our offices, to bring them on board, understand and roll out our Climate and Environment strategy.

Social

Our mission is to deliver a sustainable built environment that creates a better life for communities.

As a global business, our social responsibility is essential to operate effectively and sustainably in the diverse range of communities we work for and with. It also benefits our business in attracting and retaining talent, building customer loyalty, mitigating reputational risks and regulatory pressures, and driving long-term value creation.



Our social approach addresses 4 streams and a range of indicators.



Equality, Diversity and Inclusion

Our active and influential diversity network, BeYourself, continues to support and educate employees and advise the business. Fairness, Inclusion and Respect ambassadors act as allies and champion key messages to ensure our culture remains open and supportive. Our Speak Up reporting platform offers a confidential way to report concerns if direct engagement with line managers isn't appropriate.

Our 2025 goals are for 35% of our leadership positions to be occupied by women and 15% of leadership positions to be occupied by ethnic minorities. To date, 33% of Bouygues UK's directors are women. As well as reporting on our gender pay gap, we voluntarily report on our ethnicity pay gap.



Employment Standards, Human Rights and Modern Slavery

Our Human Resources policies are regularly updated to meet current standards and legal requirements. We continuously benchmark to ensure our working conditions meet legal requirements and are competitive and attractive in the market. **Since 2021, Bouygues Construction has held Top Employer Europe certification.** This recognises companies that provide optimum working conditions for employee development.

Bouygues UK is committed to playing its part in reducing the risk of modern slavery occurring on its sites and within its extensive supply chain.

[Our latest annual statement can be found linked from the homepage of our website.](#)



Health, Safety and Wellbeing

Our aim is to reduce the frequency and severity of workplace accidents and to work towards better employee health, which we strive to achieve through our mental health first aiders and comprehensive benefits supporting employees mental and physical health such as our Employee Assistance Programme or medical and financial care packages.

Health and safety is the company's first priority on construction projects and this is monitored closely throughout the business and by senior management to ensure exemplary performance levels are maintained. In 2022, Bouygues UK's Accident Frequency Rate (AFR) was 0.05 (2021: 0.03). The rate achieved equates to 1 reportable accident per 1.8 million man hours. **This rate demonstrates industry leading behaviours** which we will continue to improve in order to prevent any accidents on our sites.

Community and Social Value

Our structured 4 pillar approach to delivering social value illustrates the way in which we successfully deliver a lasting impact for all our stakeholders.

Our social value pillars



Education



Community



Employment & Skills



Volunteering, Sponsorships & Donations

The communities that we live and work in need businesses to consciously create social value now more than ever. In this report, we share 3 selected indicators demonstrating our commitment adding value, through SLEVA, volunteered hours as well as donations.

£88.5m = 18% Social and local economic value added (industry average 12%)

£106,371 Donated through community and charity supported events

1,141 Staff hours volunteered for various charities, education and community initiatives

We define Social Value as the activity we do which enhances people's lives by improving the conditions of the wider community to reduce inequality and poverty, improve wellbeing, inclusion and deliver prosperity for all whilst being aligned to support delivery against The Social Value Act 2012, the Well-being and Future Generations (Wales) Act 2015 and the UN Sustainable Development Goals.



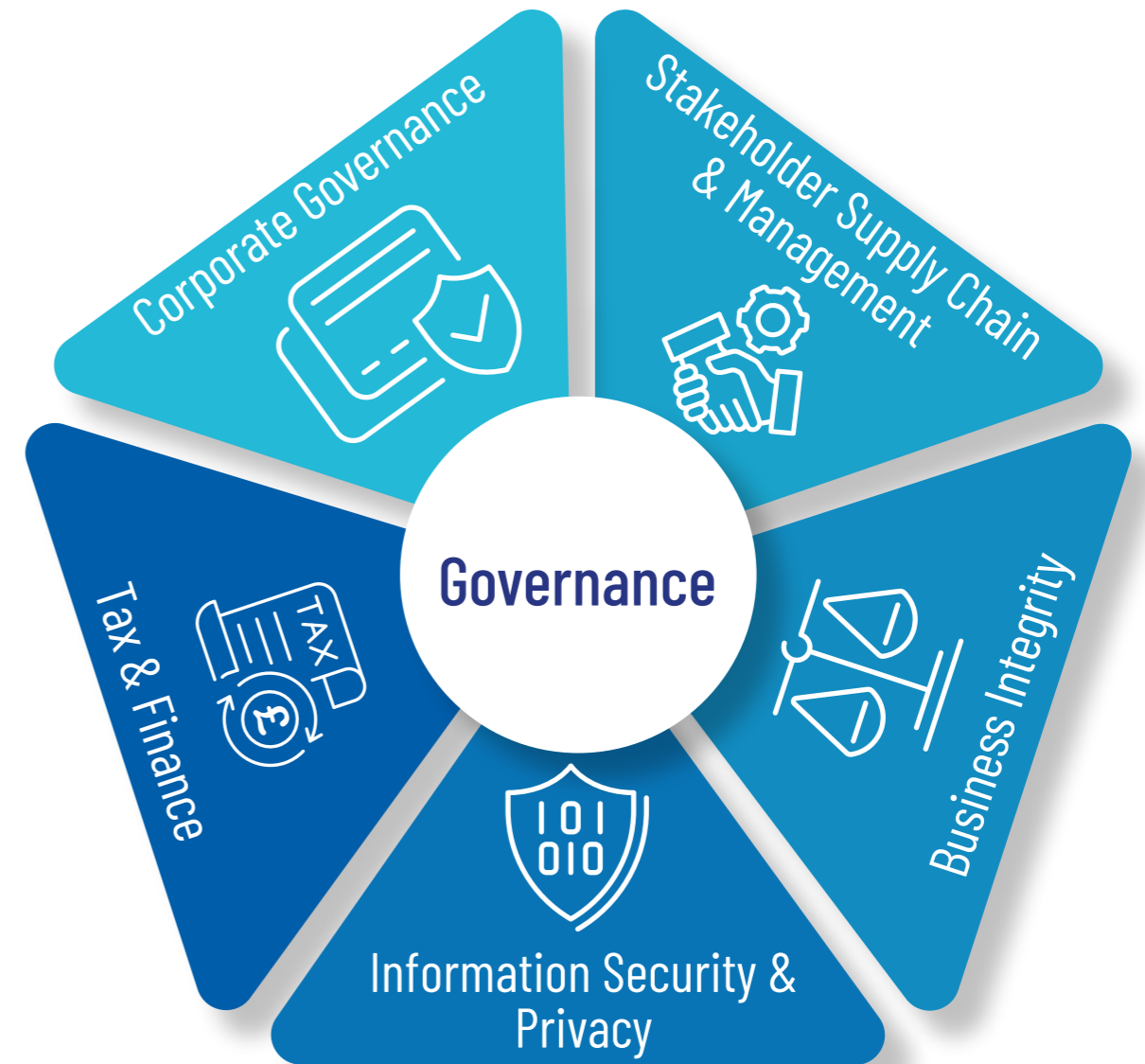
As a business, we need to be truly responsible – from the people to the processes; from our culture and the way we behave to the way we measure our impact. We must ensure that our impact is as positive as possible, whilst still driving and challenging our thinking as business leaders to do things differently, bravely, responsibly and transparently. Our 2022 [Social Value Annual Report](#) highlights exactly how we are doing this across our projects.



Governance

Our approach to the governance of our business sets the tone for the culture at Bouygues UK. It underpins many of the actions described in the Social and Environmental pillars of our ESG strategy, ensuring that the company is well run, acting in the best interests of all our stakeholders.

Our governance strategy promotes transparency and accountability through strong structures, policies and procedures, supported by quality training. We have high standards for our company, our staff and those with whom we do business, and intend to raise these standards even higher as we progress.



We recognise 5 key principles which comprise our governance strategy and which link each of our 5 pillars of governance:

- Providing the best client experience possible throughout our project delivery and operation, as per our [Client Value Charter](#);
- A zero tolerance approach to bribery, corruption and anti-competitive practices;
- Ethical and legally compliant behaviours in all circumstances: respect, integrity and responsibility are at the heart of everything we do;
- Strong corporate governance;
- Strategic management of risk through assessment, controls and audits.

Ownership and Management

Bouygues (UK) Limited is a wholly owned subsidiary of Bouygues Construction SA, itself a wholly owned subsidiary of the Bouygues SA, which is listed on the Euronext stock exchange. It operates as a main contractor within the construction industry and, through its wholly owned subsidiary BY Development Ltd, as a developer.



Fabienne Viala
Chair of Bouygues UK and UK Country Manager for Bouygues Construction



Rob Bradley
CEO of Bouygues UK



Phillippa Prongué
Managing Director of Property Development arm of Bouygues UK



John Boughton
Managing Director of Bouygues UK (South West & Wales and North & Midlands)



Gerald Farque
Managing Director of Bouygues UK (Construction)



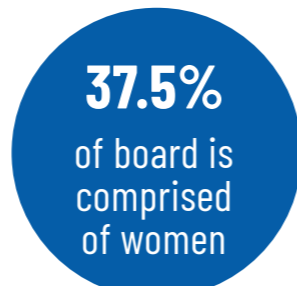
Charissa Shears
Director of Bouygues Construction's UK Legal Desk



Martin Schulz
Director of Bouygues Construction's UK Human Resources department



Jean Luc Midena
Director of Bouygues Construction's UK Finance department



Providing visibility and leadership to encourage greater gender diversity across the business

Business Integrity

2022 saw a comprehensive and extensive review of the Bouygues SA and Bouygues Construction policies and procedures setting out the good governance of ethics and compliance risks and making clear the behaviours required of all our staff. These have been strengthened significantly, in particular our requirements relating to third party due diligence. A new group-wide whistleblowing platform has also been introduced.

100% of our senior managers and directors are required to sign an undertaking committing to compliance with our business integrity documentation, HR Charter principles, tax policy and sanctions and embargoes policy and reminding them of their responsibility to behave ethically and competitively.



Supply Chain Management

Bouygues UK is a signatory to the Prompt Payment Code. By the end of 2022, the average number of days it took to pay suppliers was 28 days. We regularly review payment procedures, controls and thresholds to ensure that our robust governance will enable prompt payment of our supply chain.

Our procurement and supply chain management are key to successfully embedding our ESG initiatives. Bouygues UK promotes sustainable procurement by incorporating environmental, social and governance principles into our processes and policies to ensure that engagement with our supply chain is aligned with our corporate social responsibility strategy. To embed a socially and environmentally responsible approach to our procurements, we have developed a number of principles and policies, including around labour standards, CSR requirements, use of management indicators to assess supply chain performance and potential audits, health and safety standards and early involvement with the supply chain.

We are proud to work so closely with our supply chain partners and recognise best practices in particularly through our Supply Chain Awards.

Conclusion

During 2022, Bouygues UK has seen great success in defining and bolstering our ESG performance even as the demands of the industry evolve. Our company has adopted a best-in-class approach to responsible business practices, adhering to the highest standards of ESG performance and making sure we are fully compliant with the necessary regulations, in particular for carbon and gender pay gap reporting.

We have ensured we have remained at the forefront of ESG-related advances. We are proud to put a particular focus on the promotion of diversity and inclusion throughout our workforce and operations, a commitment to the care and protection of the environment, all underpinned by a robust corporate governance. As one of the leading construction companies in the UK, we believe Bouygues UK is setting a strong example to other organisations operating in our industry.

More information can be found on [our website](#) as well as our dedicated reports, particularly our [Climate and Environment suite of publications](#), from our strategies to our performance reports, as well as our annual [Social Value report](#).





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