

2021

ENVIRONMENTAL, EMPLOYEE AND SOCIAL INFORMATION

This document is an extract
from the Colas Annual Report



WE OPEN THE WAY

ENVIRONMENTAL, EMPLOYEE AND SOCIAL INFORMATION 2021

Bouygues, which has a controlling interest in the Company as defined in Article L. 233-3 of the French Commercial Code, has drafted and published a consolidated Statement on Extra-Financial Performance as mentioned in its Universal Registration Document. The Company is therefore deemed to comply with the requirements of article L. 225-102-1 IV of the French Commercial Code.

In accordance with the provisions of Articles L. 225-100-1 and L. 22-10-35 of the French Commercial Code, this section sets out the information and commitments made by the Company with regard to environmental, social and societal issues, non-financial key performance indicators and the low carbon strategy implemented within the Group.

In order to ensure transparency for its stakeholders, the Company has decided to have these elements audited by an independent third-party organization. The report of the latter is available in the "Independent Auditor's Report" section of this annual report.

Introduction

Colas is a world market leader in the construction and maintenance of transport infrastructure with operations in 50 countries and a wide range of businesses and geographic areas. Through its 800 construction business units and 3,000 materials production units worldwide (quarries, emulsion plants, asphalt and ready-mix concrete plants, bitumen production plants), Colas and its 57,000 employees worldwide carry out more than 60,000 projects each year for more than 100,000 customers with the support of more than 100,000 suppliers and direct partners.

With its wide variety of activities, clients and geographies, Colas needs to take account of the expectations of a number of stakeholders, both at Group level (shareholders, governments and administrations, international development funds, etc.) and on a local level (employees, customers, suppliers, users, local residents, etc.), thus incorporating major societal issues such as social cohesion and equal treatment, combating climate change, transportation and housing needs, improving living conditions, energy transition, preserving resources, and health and safety, etc.

To respond to this diverse and multiple range of expectations, Colas' Corporate Social Responsibility (CSR) policy is based on its impacts, risks and opportunities (specific to its activities) and reflects its values of caring, sharing and daring, which form the foundation of its corporate culture. The aim is to respond to the expectations of its many stakeholders and foster a lasting culture of continuous improvement in the field and within the areas in which it operates.

CSR commitments under the Act project

In 2021, Colas' Chairman and Chief Executive Officer launched a new corporate project called ACT (Act and Commit Together) to roll out the Group's eight CSR commitments towards its stakeholders between now and 2030:

- a commitment to integrate CSR into the business and, in particular, the way in which customers and users are offered solutions that meet the challenges of sustainable regional development;
- three commitments directly related to Colas' activities in terms of its low carbon and biodiversity strategy, the circular economy, reducing its impact and improving the acceptability of its activities;
- two commitments to our 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; and
- a commitment to consolidating an exemplary culture of ethics and compliance.

CSR cuts across all areas of the Group's operations and is supported by its main cross-business functions, in particular business development, environment, health and safety, human resources, procurement, equipment, and even legal. It is managed by the CSR department, which forms part of the Innovation and Sustainability Department. This department is divided into four units that cover most of the resources needed to coordinate and roll out the Group's CSR commitments:

- Sustainable infrastructure and smart mobility solutions;
- Institutional relations;
- Development of responsible strategies (involving the CSR, Environment and HPS⁽¹⁾);
- Research and development of responsible products and solutions.

These four units work on major CSR themes: environmental and low carbon solutions, adapting infrastructures to climate change, sustainable mobility solutions to respond to the needs of customers and users, smart infrastructure, and digital solutions powering performance gains and new business.

(1) HPS: Health/Prevention/Security.

The CSR department provides expertise and oversees CSR issues, and coordinates and manages the rollout of the Group's CSR commitments with the departments and entities concerned. It also coordinates non-financial reporting (collecting information, consolidation and verification) in order to track the performance of CSR indicators, and consolidates qualitative and quantitative CSR data in Colas' various annual publications.

The ACT project is organized on the basis of each of the CSR commitments being led by a project manager at Group level, who defines the roadmap, its governance, actions to be taken and monitoring indicators to be put in place. These actions are then rolled out by the operating entities and monitored by sponsors (defined at the outset at governance level) within the entities concerned. CSR commitments are piloted by representatives of functional and corporate departments: Human Resources, Environment, Health and Safety, Procurement, Legal and Compliance, Business Development.

In 2021, a network of CSR officers headed by the CSR department was set up within the Group's entities to support the rollout of the ACT project. CSR officers are responsible for overseeing the operational rollout of the eight CSR commitments, supporting the definition and implementation of CSR action plans as a whole (in keeping with the Group's corporate roadmaps), monitoring progress made and steering local initiatives in collaboration with sponsors.

The ACT project is overseen by the Executive Management Committee through the Sustainability & Innovation Department, primarily by means of regular presentations by the CSR department and defining and monitoring the resources allocated. The formal involvement of the Executive Management Committee is essential to ensure the participation of Colas' operational departments.

Communications

Various communication actions are carried out throughout the year to inform internal and external stakeholders.

Internal communications

Colas relies on digital communication to keep employees informed. The internal social network, Yammer, is enriched on a daily basis as employees share their experiences and promote best practices, through communities for employees working in the same business line, on the same project or in the same geographical area. A ColasShare CSR platform, based on the Group's ColasShare knowledge management platforms, was created in 2021 to highlight the Group's CSR commitments, the network of CSR experts and the tools available to operations staff and sharing of best practices.

In order to communicate with all its employees about its CSR approach, Colas has rolled out a series of communications procedures. Firstly, it has set up the "ACT Roadshow", a series of ACT webinars open to all employees, in which each CSR officer provides a detailed overview of their commitment, the background and the challenges faced, as well as the ways of working, with testimonies of what has been achieved within the Group's entities. In 2021, Colas also devised and disseminated to its unit managers a CSR kit to provide information in e-learning format about the challenges and actions related to its eight CSR commitments, allowing the entity to assess its performance with regard to these eight commitments. At the end of 2021, 95% of unit managers in France and 72% in Canada had received this training. It is now being rolled out within Colas' other countries and entities. Finally, in order to reach all employees, Colas has also created an illustration of its CSR commitments to be displayed in offices and at construction sites.

In 2021, a variety of events were held to get Colas employees onboard with the ACT project over the course of the year. European Sustainable Development Week, Safety Week and Environment Day provided the opportunity to highlight Colas' CSR approach or one of its commitments. In addition, several Colas entities have incorporated CSR into their local conventions in order to get their managers onboard with the ACT project and get them to think about how it is to be implemented on a local level, such as in France with the regional directors' convention, or in the United Kingdom where the CSR Conference was attended by the country's top 100 managers. The CSR department also gives talks at Colas' various universities or academies around the world to raise awareness among all employees about CSR.

Lastly, within the context of the 2022 managers' convention, a call for projects, or the "CSR awards", was launched at the end of 2021. This contest, open to all business units, aims to recognize the best projects in four categories: Upcycler, Carbon Fighter, Humanizer and Innovator. The 180 projects from 25 different countries attest to the momentum attached to CSR and the ACT project.

Employer brand

To showcase its brand, Colas set up a brand platform in 2020 that reflects its core identity: "Designing, building and maintaining sustainable transport infrastructure from our local roots, around the world", in keeping with the expectations of various stakeholders and Colas' CSR commitments.

To promote its employer brand, Colas conducts a review of surveys available on the market in order to find out its notoriety among employees and pays attention to its position within various rankings according to employee category. In 2021, Colas launched a CSR challenge inviting students to think about how "the infrastructure of tomorrow can respond to a region's socioeconomic change while respecting climate and societal concerns". This challenge enabled Colas to promote its employer brand to 550 applicants from 17 countries and more than 80 universities. This initiative won Colas two prizes in the "Victoires des Leaders du Capital Humain" (Human Capital Leaders) awards.

External communications

At the end of 2021, Colas launched its new Group corporate website www.colas.com, allowing it to promote its CSR approach externally and set out its eight CSR commitments and the ACT project in a dedicated section.

The Group also promotes its CSR approach in its in-house magazine *Routes*, which is distributed to employees and published on the www.colas.com website, as well as subsidiaries' in-house magazines (e.g., *L'Échangeur* in France), sharing strategy information and highlighting examples from around the world. In a special Environment edition in June 2021, the Group provided information about its low carbon and biodiversity strategy.

Active on social networks, Colas regularly highlights the CSR commitments and initiatives undertaken by the Group and its employees on sites around the world.

1. Offering our customers and users solutions that meet the challenges of sustainable development in local communities

Environmental, climate-related and societal challenges as well as evolving uses create both strategic challenges and opportunities for Colas. 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. Colas needs to take into account and anticipate these expectations, which demand more of infrastructure than just technical and economic considerations. This needs to become a central concern behind all city and regional developments.

To respond to these expectations, Colas incorporates CSR into its business activities by:

- developing products and services geared toward sustainable development priorities;
- designing and offering “sustainable” next-generation infrastructure projects;
- involving stakeholders and promoting its CSR commitments.

This commitment is supported by two departments, Business Development and Sustainable, Smart Infrastructure & Mobility solutions. These departments draw on the global network of business developers and the Group's expertise, subsidiaries and resources to implement this commitment.

1.1. Developing products and services geared toward sustainable development priorities

The products and services offered by Colas are evolving to meet sustainable development needs and multiple stakeholder expectations. The Group focuses on the following throughout this process:

- the impact of its solutions on the environment, in particular preserving resources (materials, energy, water, etc.) and their acceptability;
- mitigating the impact of climate change through low carbon solutions and services that reduce greenhouse gas emissions (traffic regulation systems, green mobility solutions, etc.);
- adapting to climate change by means of resilient solutions (ecological engineering, urban cooling islands, permeable paving, etc.).

Colas has also established its position in market segments opened up by the transition to low carbon solutions such as decarbonized mobility, renewable energy and hydrogen networks, as well as sectors that will benefit from shifts in modes of transport, such as ports and associated intermodal platforms.

PROMOTING ENVIRONMENTALLY FRIENDLY ALTERNATIVES TO LIMIT THE IMPACT ON THE ENVIRONMENT

To limit the impact on the environment, Colas offers its customers environmentally friendly alternatives, for example which consume less energy and materials and produce less greenhouse gas emissions than conventional products and techniques. For many years, Colas has used *Seve*, the ecological comparison tool for the industry in France. It is planning to roll out this tool in other countries, in particular the United Kingdom, where a UK version is in the process of being implemented at Colas UK.

In 2021, Colas created an internal range of low environmental impact products and solutions that has been rolled out to unit managers, sales representatives and design offices. On this basis, Colas has set itself the target of increasing the number of environmentally friendly alternatives on offer in the next few years in order to promote alternative solutions to its customers.

Colas also offers circular economy solutions to save on transportation and materials, such as Recycol, the in place recycling solution used in paving projects, in particular in Corsica, in 2021. In addition, through its environmentally friendly alternatives, Colas promotes solutions that make construction projects more acceptable on a local level, such as the Com'in and Hello Travaux applications. Hello Travaux is currently being rolled out in various countries and provides a concrete solution to customers' concerns about dialogue with the local community, as is the case for a number of construction projects in the United Kingdom.

Indicators	Scope	Unit	2019	2020	2021
Number of suggestions made using an eco-comparison tool	World	Number	121	92	198
Greenhouse gas emissions avoided thanks to environmentally friendly alternatives selected	World	tCO ₂ e	3,105	1,279	4,555

The number of environmentally friendly alternatives doubled between 2020 and 2021. Communication and awareness about the Seve[®] tool were increased this year in France. In 2021, the proportion of greenhouse gas emissions avoided almost tripled in line with the number of environmentally friendly alternatives selected.

CLIMATE CHANGE MITIGATION

Thanks to its innovative products, Colas offers its customers solutions to mitigate the impact of climate change on infrastructure and their close environment. In 2021, Colas rolled out a range of low carbon products among its profit centers in France in order to promote these products to its customers, such as Vegecol, Urbalith and warm and cold mix asphalts. For example, Vegecol, a light asphalt mix made with an innovative 80% plant-based binder, was used on the Vedène project in the Vaucluse region in April 2021. It constitutes an aesthetic, low carbon alternative, thanks in particular to its lower production temperature.

ADAPTING INFRASTRUCTURE TO CLIMATE CHANGE AND REGIONAL RESILIENCE

Adapting infrastructure to the effects of climate change is an area in which Colas' longstanding expertise in road construction comes to the fore. For example, Colas France subsidiary INMS has developed Urbalith, a permeable, organic mineral surfacing. Thanks to its properties, this surfacing is used in particular in urban construction projects for permeable paving or to create cooling islands, for example with the Ecole Brossolette schoolyard in Besançon in 2021.

To increase regional resilience through infrastructure, Colas has developed an interdisciplinary approach and works with an ecosystem of partners, forming partnerships in particular with start-ups in areas such as combating urban heat islands.

Ecological engineering is a fast-growing activity at Colas. This consists primarily of the preservation or rehabilitation of natural habitats, or restoration of degraded habitats, such as the ecological restoration of a watercourse in Cancale, France, to improve ecological continuity. This project comprises augmenting water flow, creating habitat, reconnecting the watercourse to the wetland area and putting it back in the bottom of the valley in the open.

LOW CARBON TRANSITION

With its infrastructure projects, Colas provides its expertise in a number of activities that contribute to the transition to low carbon alternatives. In a region such as French Guiana, for example, where renewables account for 62% of electricity generation, Colas subsidiary Ribal TP has developed know-how and expertise in this segment over the last two years, covering areas such as biomass, hydroelectric power, hydrogen and mechanization.

Colas Rail is working on decarbonized public transportation projects. In 2021, the subsidiary won two contracts to provide power supply for the T3 and T4 tram lines in Casablanca.

1.2. Designing and promoting next-generation infrastructure

Colas' longstanding expertise in infrastructure puts it in a leading position to design and promote infrastructure that is safe, sustainable, accessible, shared and connected, as well as the new features that it can offer. These new solutions are accompanied by tools and expertise such as inspection and testing systems and BIM (a system for creating multidimensional, interoperable digital twins of structures under construction), backed up by partner ecosystems. Solutions span a number of areas, including sustainable infrastructure management (e.g., through performance contracts), local development in response to changing uses and new features offered by infrastructure.

Colas offers a range of solutions to optimize road network maintenance using innovative inspection techniques such as those of subsidiary Technologies Nouvelles. Colas' ability to determine the predicted laws of evolution for infrastructure projects on the basis of construction data, traffic conditions and even weather conditions allows it to advise customers on the most economical multi-year predictive maintenance program in terms of the environmental impact and budget.

With changes in use, Colas helps to improve users' quality of life with its solutions that allow for better sharing of roadways between public networks and various forms of mobility, with for example Flowell, a dynamic signaling solution to improve safety at a dangerous crossroads in La Défense, France. At the Colas campus in Paris-Saclay, the Moov'hub solution, which has been rolled out since 2019, allows for dynamic management of public and private parking, and was enhanced in 2021 to include environmentally friendly mobility services. In addition, the Qievo solution, which is used to optimize truck traffic flows around construction sites in dense urban areas and limit disruption and the impact on the environment, was selected by Solideo in 2021 to manage last-mile logistics for works in relation to the Paris 2024 Olympics.

Colas has also developed its digital expertise. By processing data from vehicle routes, the Anaïs digital platform identifies risky areas and recommends and then monitors preventive management of road networks. This solution was rolled out in the Cher region in 2021 and is also being used in the Eure-et-Loir region.

Colas is also recognized as a leading name in BIM infrastructure projects and, in addition to responding to bids, is developing specific projects such as the Grid2Bim solution for managing network plans with start-up WiseBim. Colas has also developed MaxCim, its in-house City Information Modeling tool, to share technical data about the network.

1.3. Involving stakeholders and promoting its CSR commitments

The aim at Colas is to build strong relationships with stakeholders (including customers, engineering firms, investors, users and employees), working together with them to develop sustainable solutions within its ecosystem to make CSR a key business differentiator and significant growth driver.

The cornerstones of this approach are listening to customers' and users' expectations and promoting the Group's CSR strategy among our customers and partners. Dialogue with stakeholders is established on a number of levels. Colas is developing an approach based on listening to customers, as well as contacting other key stakeholders such as local residents. It is also rolling out satisfaction measurement tools. For example, in Colas' construction activities, satisfaction surveys are handed out to residents for building renovation projects in occupied areas. These are intended to measure satisfaction according to four criteria: pre-works information, quality of works, cleaning after works and relations with the company, which in 2021 achieved the highest satisfaction level.

In incorporating CSR into its business, Colas is continuing to open up dialogue beyond its usual customers and communicates with its entire ecosystem, developing a structured approach for each sector or business line depending on their needs, focusing in particular on the major components of its ecosystem: the financial world, trade unions and engineering companies. Colas has adopted a partnership-based approach, which is essential in particular for reducing its scope 3a emissions. By working from an early stage with those who make the decisions, low carbon technical choices can be made in order to reduce greenhouse gas emissions from infrastructure projects.

Colas also expects to see a shift in contracts towards alliances of stakeholders, making it easier to achieve sustainability targets. These contracts could also contain more and more performance-based criteria, in particular greenhouse gas emissions measured over the infrastructure's full lifecycle.

Colas maintains dialogue with its stakeholders, such as non-financial ratings agencies, the financial community, trade unions, government bodies, NGOs, customers and local residents. In particular, it fosters relations with Bouygues Group investors, in accordance with the standards set by Gaia, and plays an active role in events such as the Capital Markets Day and the Climate Markets Day held in 2021.

To meet the expectations of its customers, Colas complies with the requirements of EcoVadis, the CSR performance assessment platform used by many companies around the world: Colas Ile-de-France Normandie has met this standard since 2014 and obtained a score of 74/100 in 2021. In this vein, Colas France, Colas Rail and Spac submitted their first EcoVadis assessment in 2021, obtaining silver medals with scores of 64/100, 63/100 and 62/100 respectively.

Colas also involves its suppliers, for example during the "Carbon Fighter" forum organized in December 2021 by Colas Rail for its strategic suppliers, customers and partners from the railway industry to lay the initial foundations of a shared roadmap for reducing their carbon footprint.

2. Roll out a low carbon and biodiversity strategy to preserve the planet

At the end of 2020, the Bouygues Group took another step forward with its Climate strategy by making a commitment to reduce its own greenhouse gas emissions. Within this context, Colas has announced an ambitious target to reduce its emissions by 2030 relative to 2019 (baseline year):

- a 30% reduction in direct greenhouse gas emissions (Scopes 1 and 2);
- a 30% reduction across its entire upstream value chain (Scope 3a), which accounts for 85% of Colas' total emissions.

These targets have been validated in accordance with the methodology recognized by the Science Based Targets initiative (SBTi) in line with a well below 2°C trajectory compatible with the Paris Agreement.

Furthermore, Colas' business activities generate strong interactions with biodiversity, which faces the same challenges as climate change. The Group has adopted a biodiversity strategy, which constitutes the sixth focus of this roadmap.

The low carbon and biodiversity roadmap focuses on six main areas:

- incorporating climate change priorities into the Group-wide strategy;
- taking action to lower the carbon intensity of direct emissions;
- developing and promoting low carbon technologies and solutions;
- optimizing carbon accounting for our operations;
- helping customers and users achieve carbon neutrality and reduce emissions;
- incorporating priorities related to biodiversity loss into operations.

The low carbon roadmap is spearheaded by Colas' Environment Department via a low carbon committee made up of sponsors in charge of implementing actions on a local level in the various regions in which it operates. This committee also includes cross-departmental representatives from Equipment, Procurement, Business Development, Technical/R&D/Innovation, who are in charge of this matter at Group level. The biodiversity roadmap is spearheaded by the Environment Department via its network within Colas' various units.

2.1. Incorporating climate change priorities into the Group-wide strategy

Climate change has a direct impact on Colas in its markets, and in particular some of its traditional operations, while opening up new business opportunities. A Group-wide analysis of climate change-related risks and opportunities was undertaken in 2020 with the support of Carbone 4 in order to factor the initial findings into Colas' low carbon strategy.

Colas' business model is based on two types of 1.5°C scenarios leading to a low carbon emissions society based on the work of the IEA⁽²⁾:

- the first "pro-tech" scenario assumes that socio-environmental transition is based primarily on technological innovation, maintaining GDP growth while also significantly reducing the environmental impact (uncoupling);
- the second "sobriety" scenario assumes that socio-environmental transition is based on resilience and societal changes while also adopting new prosperity and social growth targets.

This study concluded that Colas' revenue will decrease in both scenarios if Colas continues with business as usual. Business opportunities have been identified and incorporated into the low carbon roadmap as well as into other CSR commitments such as that relating to business development.

To successfully achieve this strategic transition, Colas needs to support its employees, mainly by means of training and raising awareness. A general campaign has been launched at Colas' various business units to raise awareness about climate change using the Climate Fresco program. In 2021, nearly 1,000 employees took part in a Climate Fresco workshop. This initiative will be continued in 2022, in particular by means of training employees. The target shared with the Bouygues Group is to train all employees by 2024.

In addition, the first Environment Day was held in April 2021, focusing entirely on climate change and presenting the Colas Group's low carbon and biodiversity strategy. During the event, the webinar on the low carbon and biodiversity roadmap was also played.

(2) *International Energy Agency.*

2.2. Taking action to lower the carbon intensity of direct emissions

One of Colas' targets is to cut our direct CO₂ emissions by 30% by 2030. To achieve this target, Colas is working to reduce its use of fossil fuels (reducing the energy consumption of asphalt mixing plants by means of operational excellence), improve the energy efficiency of equipment and machinery, make the transition towards lower carbon energy sources (low carbon fleet), innovate in new, lower carbon production procedures (alternative fuels, substitutes for heavy fuel oil) and support changes in behavior.

Colas has adopted a variety of measures to better manage its energy consumption (fuel and electricity):

- monitoring of production and energy consumption at asphalt mixing plants using dedicated telematic tools: these tools are now used at 17% of plants and allow for real-time observation of energy consumption and asphalt production temperatures;
- the “My Equipment” digital solution and onboard solutions for monitoring consumption, able to count and analyze the consumption of more than 5,300 machines. These tools improve the average utilization rate (by a target of 2% per year), as well as reducing idling rates and consumption. Colas is aiming to equip the entire vehicle and machinery fleet with onboard telematics by the end of 2030, with an idling rate of less than 20% for the fleet equipped with telematics;
- staff involvement with training in environmentally friendly practices for drivers. With this, Colas intends to reduce fuel consumption by 20%;
- the replacement over 10 years – starting in 2021 – of vehicles and machinery with low carbon vehicles and machinery (electric and green hydrogen);
- use of rail and inland waterways as an alternative to road haulage;
- warm mixes, which require about 15% less energy to produce than hot mixes.

Indicators	Scope	Unit	2019	2020	2021
Burner energy consumption per metric ton of mix produced	World	kWh/t	79	81	80
Greenhouse gas emissions per metric ton of mix produced	World	kCO ₂ e/t	19	19	19

The burner's energy consumption per metric ton of mix produced decreased in 2021 as a result of better monitoring of energy consumption at asphalt mixing plants (lower production temperatures, change of fuels) as part of the rollout of the “low carbon and biodiversity roadmap”.

Greenhouse gas emissions per metric ton of mix produced were maintained in 2021 at 19 kCO₂e/metric ton despite the upturn in activity and increase in asphalt mix production as a result of the actions of the “low carbon and biodiversity roadmap”.

Indicators	Scope	Unit	2019	2020	2021
Onboard telematics					
Percentage of vehicles with onboard telematics	World	%	23	27	30
Percentage of machinery with onboard telematics	World	%	28	33	34
Alternative freight					
Number of metric tons of materials transported by rail and/or waterway	World	Mt	10.5	7.9	8.4
Average number of kilometers traveled by rail	World	km	309	319	296
Average number of kilometers traveled by waterways	World	km	513	408	483

The percentage of vehicles and machinery equipped with onboard telematics systems is continuing to rise, with an overall increase of 7 pts for vehicles and 6 pts for machinery since 2019. This demonstrates the Machinery performance department's desire to improve monitoring of fuel consumption and idling rates using the “My Equipment” digital platform.

The quantity of materials transported by rail and/or waterway was higher in 2021 than in 2020, notably due to a sharp increase in France resulting from choices and opportunities to use these means of transportation, in particular for quarries in northeastern and western France. At the same time, the average distance traveled by waterway increased by 20% in 2021, notably as a result of an increase in the proportion of bitumen transported via this alternative means of transportation.

2.3. Developing and promoting low carbon technologies and solutions

Sixty-four percent of Colas' carbon footprint derives from goods and services consumed in the course of its business. If it is to reduce its carbon impact, Colas must therefore use low carbon products and techniques, including in particular those developed through its own focused research and development. These environmentally friendly alternatives are offered to customers via marketing campaigns. The main areas of focus relate to reducing the carbon intensity of asphalt mixes, concretes and precast products made by the Group and recovering materials through recycling. Initiatives are also in place to identify low carbon materials such as hydraulic binders, concretes, cements, and so forth.

REDUCING THE CARBON INTENSITY OF ASPHALT MIXES, CONCRETES AND HYDRAULIC BINDERS

Colas has identified a number of actions to reduce the carbon intensity of asphalt mixes: lowering production temperatures, favoring the use of warm, semi-warm and cold mixes, and reducing the humidity of inputs. Carbon intensity can also be reduced by incorporating reclaimed asphalt pavement and bio-based binders (over 1,500 metric tons of bio-based binders and fluxing agents were purchased in 2021). A final area of focus is the distances and freight methods used in transporting input materials.

A number of initiatives are in place to make low carbon concretes, with a particular focus on binder content and the use of low carbon cements in concrete, depending on geographical availability and market maturity. In France, the Purchasing department carried out an initial bidding process to introduce low carbon criteria into specifications and present the Group's low carbon strategy to affected suppliers.

INCREASING THE REUSE OF RECYCLED MATERIALS

In-place road recycling – which involves removing the asphalt mix from a road, mixing and adding a binder on site and repaving the road with the resulting mix – offers a number of environmental benefits:

- it reduces CO₂ emissions by avoiding the need to transport materials to the worksite;
- it saves natural resources, notably aggregates, by reusing material removed from the road, which is recycled in place.

Generally speaking, encouraging the use of recycled materials is one of the main ways Colas can reduce its carbon footprint, particularly across Scope 3a.

Indicators	Scope	Unit	2019	2020	2021
Surface area of road recycled in place	World	Mm ²	7.4	9.8	8.3
Surface area of road recycled in place using emulsion*	World	Mm ²	-	-	6.2

* Indicator not collected in 2019 or 2020.

The total surface area of road recycled in place decreased across all regions for reasons to do with the context and subsidiaries' activities. Furthermore, the data may have been affected by the change in the definition of this indicator (to distinguish between in-place recycling using emulsion and that using hydraulic binder). The vast majority of in-place road recycling has used emulsion, a technique that offers greater savings in terms of CO₂ emissions.

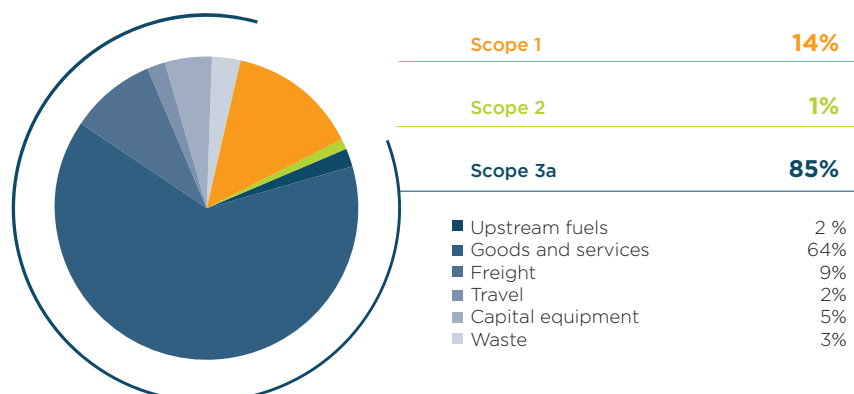
PURCHASES OF LOW CARBON MATERIALS

As shown by the breakdown of its carbon footprint into significant sources, Colas needs to reduce its indirect emissions (Scope 3a). Goods and services purchased for use in projects and production operations account for 64% of Colas' carbon footprint. This is mainly due to purchases of cement, concrete and precast concrete products as well as purchases of bitumen. The initial priority is therefore to identify and purchase low carbon binders and concrete. This initiative forms part of the Group's commitment under the ACT project to "Build a responsible supply chain rooted in sustainable performance", overseen by the Purchasing department. Initial bidding processes in France include criteria relating to CO₂ emissions, notably for hydraulic binders and ready-mix concretes. In 2021, the low carbon and biodiversity roadmap was presented to Colas' suppliers at Supplier Days. Colas Rail held its first "Carbon Fighter" day aimed at dialoguing with suppliers to identify joint areas of focus for reducing the amount of carbon in concretes, ties and other essential components used in railway projects.

2.4. Optimizing carbon accounting for our operations

In 2021, Colas' carbon footprint was 12.5 MtCO₂e, split between the following sources:

Breakdown of Colas' carbon footprint by source



Colas calculates the carbon footprint of its activities in accordance with the methodology set out in the GHG Protocol. For over ten years, Colas has been calculating its footprint using physical flows linked to energy consumption for Scopes 1 and 2 and monetary ratios linked to activity type and external sales of precast products for Scope 3a.

In light of the ENCORD⁽³⁾ Construction CO₂e Measurement Protocol "Guide to reporting against the Green House Gas Protocol for construction companies", Colas does not publish CO₂ emissions arising from the use of its products, for example in roads and railways.

Work is in progress to put in place a Group-level carbon accounting process for Scope 3a based on physical flows taken from financial information systems and to roll out tools and methodologies for calculating the carbon footprint of worksites and production units. The goal is to specifically calculate not only the carbon footprint of worksites but also that of concretes and asphalt mixes made by production units.

Indicators	Scope	Unit	2019	2020	2021
Carbon footprint	World	MtCO ₂ e	13.1	12.0	12.5
GHG balance - Scope 1	World	MtCO ₂ e	1.8	1.7	1.8
GHG balance - Scope 2	World	MtCO ₂ e	0.1	0.1	0.2
GHG balance - Scope 3a	World	MtCO ₂ e	11.2	10.2	10.6

In 2021, Scope 1 emissions returned to a similar level to that seen in 2019 before the Covid-19 pandemic. Increases were also seen in countries where activity was dominated by major projects (Australia, Côte d'Ivoire, Belgium and the Czech Republic). Scope 2 emissions were 4.3% higher than in 2020, mainly because of increased aggregate production. Scope 3a emissions were 4.2% higher than in 2020 due to the increase in revenue directly proportional to Scope 3a.

Furthermore, all initiatives undertaken by Colas in 2021 as part of its low carbon roadmap are estimated to have together avoided emissions of over 415,000 metric tons of CO₂ equivalent. Moreover, a specific initiative to replace high carbon cements (CEM I or type I) with lower carbon alternatives saved an additional 120,000 metric tons of CO₂, thus reducing the carbon intensity of concrete produced by the Group relative to the reference value (290 kgCO₂e per cubic meter of ready-mix concrete).

(3) Emissions arising from products during use (e.g., over the lifespan of a road) are not specifically measured under the ENCORD protocol.

2.5. Helping customers and users achieve carbon neutrality and reduce emissions

For a number of years, Colas has been innovating to develop and provide customers and end users with effective solutions in respect of low carbon construction, combating urban heat islands, green mobility and municipal services, and solutions for managing and lowering energy usage. These areas all constitute business opportunities that Colas is keen to develop.

Colas' first priority is to lower its emissions. However, work is underway to identify how best to contribute to efforts to achieve carbon neutrality. Consultancy subsidiary ELAN (Bouygues Construction) has developed a process aimed at mapping out a consistent approach to restoring carbon sinks for all Bouygues Group business lines. The goal of this "Climate Facilitator" is to help the Group's business lines and customers in the voluntary carbon market support the development of carbon sinks. This should enable the Group to help work towards carbon neutrality without losing sight of necessary emissions reduction efforts that have been ongoing for the past several years. This engineering system focused on restoring carbon sinks, backed by an ecosystem of partners, is available to all business lines to help them deliver on their long-term climate strategies. Colas is currently considering pilot projects, initially in the United Kingdom.

GREEN MOBILITY AND MUNICIPAL SERVICES

Colas helps local authorities deliver solutions that work towards sustainable cities. The Group develops alternative low carbon transportation infrastructure (tramways, cycle paths, etc.) and designs green mobility solutions (connections with public transportation networks, electric vehicle charging networks, shared parking with Moov'hub for Park'In Saclay, etc.). Colas also offers local authorities innovative urban services to optimize urban truck traffic (Qievo from Mobility by Colas) and dynamic signaling solutions promoting environmentally friendly driving (Flowell).

URBAN COOLING ISLANDS

In 2021, Colas continued its research and development into urban cooling islands (light-colored surfacing, water treatment systems and greening). New initiatives were run to raise awareness within Colas. On the technical front, two urban cooling solutions are currently undergoing full-scale trials, one of which includes a novel system for sustainably managing rainwater. Colas also continues to test new instruments for measuring the performance of urban cooling solutions in situ and develop modeling and microclimate simulation skills.

PROMOTING RENEWABLE ENERGIES

Colas continues to develop Wattway by installing "Wattway Pack", a turnkey solution for autonomously producing, supplying and storing renewable energy for roadside equipment (electric bicycle charging points, security lighting for pedestrian crossings, cameras, bicycle counters, etc.). To boost its marketing, Wattway has entered into partnerships with equipment suppliers such as start-up Nielsen Concept, which makes a secure, connected bicycle shelter named Mobypod. At the same time, Colas is working to establish Wattway in a second market: self-supplied renewable electricity for industrial and commercial sites with large parking areas.

2.6. Incorporating priorities related to biodiversity loss into operations

In its latest report, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) identified five pressures⁽⁴⁾ behind the collapse of biodiversity. Two of these factors are of particular relevance to Colas' activities: land-use and sea-use change and the spread of invasive species.

Targeted initiatives undertaken by Colas in 2021 to help protect biodiversity across all its activities included the following:

- the quarry biodiversity program, set up in 2013, which aims to develop and promote ecological niches at Colas extraction sites to preserve species of note and create beehives. In 2021, 207 sites undertook at least one biodiversity initiative;
- local partnerships with the ONF⁽⁵⁾ to plant trees and with the LPO⁽⁶⁾ to monitor specific bird species such as the sand martin;
- international sponsorship under the Forest & Life program with Kinomé, the ONF and IMPACTUM based around an innovative educational project focused on preserving biodiversity and planting trees;

(4) The five pressures on biodiversity identified by IPBES are as follows: land-use and sea-use change, direct overexploitation of natural resources, climate change, the spread of invasive species, and pollution.

(5) ONF: Office Nationale des Forêts (National Forestry Office).

(6) LPO: Ligue pour la Protection des Oiseaux (Bird Protection League).

- resisting the spread of invasive species – an effort to which Colas can contribute at its sites and construction projects. In response to this issue, Colas has carried out inventory and monitoring work and delivered employee training. The literature is monitored for new techniques in relation to invasive species;
- ecological engineering: Colas is developing its ecological engineering skills in France through a technical and scientific partnership with Union Professionnelle du Génie Écologique (UPGE), a federation of ecological engineering firms. The goal is to propose work to protect ecosystems (renaturing and restoring watercourses and wetlands, re-establishing ecological continuity, working in sensitive natural areas, etc.).

Indicators	Scope	Unit	2019	2020	2021
Percentage (on a CAE* basis) of aggregate production activities taking action to promote biodiversity	World	%	52	44	56

* CAE: revenue + intra-Group transactions and disposals.

In 2021, the percentage (on a CAE basis) of aggregate production activities taking action to promote biodiversity increased across various regions in which the Colas Group has a foothold, including in particular Canada and Europe (Hungary and France), where specific initiatives were undertaken. In total, 207 aggregate production sites have implemented biodiversity initiatives (up 21% from 2020): 179 sites took action to preserve species of note and 52 installed beehives.

3. Promoting circular economy solutions to preserve natural resources

The construction sector was responsible for 68% of the 326 million metric tons of waste produced in France in 2017. In response to this issue, Colas has identified many ways to support the circular economy in its industry sector and determined the associated environmental and economic benefits.

As one of the world's leading recyclers, Colas recovers and recycles, at its 420 recycling facilities⁽⁷⁾ and on infrastructure projects, waste from deconstruction, demolition waste and materials from its infrastructure sites across the world as well as waste from other industries. By reusing these recycled materials as secondary raw materials in its construction projects, Colas helps limit the need to open up new quarries as well as preserving natural resources and reducing the amount of site waste that needs to be disposed of.

The commitment "Promoting circular economy solutions to preserve natural resources" focuses on four main areas:

- investing in R&D and local partnerships to recycle materials;
- developing and promoting the use of recycling platforms;
- offering customers circular economy solutions;
- rising to the challenges of the circular economy across the Group.

Given its dependency on local circumstances and the fact that it cuts across various different Colas activities (materials, production and construction), this commitment is now managed on a decentralized basis, supported by several decades of expertise in recycling and guided by a strategy tailored to each local situation.

3.1. Investing in R&D to recycle materials

The circular economy has always been a core area of research and development at Colas. The main focus is on in-place recycling of road surfaces, recycling of asphalt mix, the use of alternative materials such as organic residues, and research into additives and binders based on industrial co-products and by-products.

Through its research and development activities, whether at the Group's Campus for Science and Techniques or at individual entities' laboratories, Colas is developing products designed to reuse various materials (production waste, materials intended for landfill, etc.) in road construction, drawing on circular economy principles to develop solutions for reusing materials, make greater use of recycling and incorporate eco-design principles into its project management processes. In 2021, the eco-design principle was adopted by the Techniques, Research and Development department with the support of an eco-innovation firm.

For example, Colas has for many years partnered with an ECOSSED research chair at the IMT Mines engineering school in Douai focusing on the recovery of marine sediments. This research and development work produces tangible results: for instance, 8,000 cubic meters of marine sediment was reused in a road capping layer in the first phase of the project to extend the Flanders Quay at the Port of Dunkirk.

Colas also partners with other industries to reuse their waste products in road construction. One example is Terus in Canada, where the Group has run a Canadian pilot project with Teck Metals to use recycled tires from mobile equipment as a partial replacement for reclaimed asphalt pavement in hot mix.

(7) Stationary and mobile recycling platforms.

3.2. Developing and promoting the use of recycling platforms

One of the key challenges posed by the circular economy is the need for dense geographical coverage so as to be able to offer customers local access to waste recycling and recycled materials. Colas focuses in particular on developing recycling platforms and multi-activity platforms (quarrying, recycling, etc.), with over 420 stationary and mobile recycling facilities worldwide.

In France, the Île-de-France Normandie zone has for the past several years developed a strong strategic focus and an organizational structure underpinned by circular economy principles: in addition to dismantling operations to capture upstream inputs, the region has a network of around 40 local recycling facilities, sorting platforms for commercial users and local inert waste storage facilities, all of which help process recyclable materials for subsequent reuse in Ile-de-France Normandie construction projects. To consolidate and highlight its momentum in this area, in 2021 the region set up Tersen, a subsidiary encompassing all its recycling, sorting and inert waste management operations. Projects to develop recycling and sorting platforms are also underway in other countries to supplement existing facilities and boost coverage.

Furthermore, as part of its efforts to reuse materials, in 2021 Colas joined the Board of Directors of Ecominero, France's first eco-organization dedicated to the circular economy in granular construction materials. Ecominero was founded by and for manufacturers of mineral-based construction products and materials with the aim of making it easier for businesses to fulfil their extended producer responsibility (EPR) obligations due to enter into force on January 1, 2023.

3.3. Offering our customers circular economy solutions

Colas' work centers play a key role in the circular economy by:

- limiting and managing the amount of waste generated by each worksite;
- offering operationally ready solutions for recovering and recycling materials;
- drawing on environmentally friendly alternatives to offer solutions that preserve resources, such as in-place recycling.

Colas has implemented a range of best practice to limit and manage waste generated by worksites, one operational example being the use of large sorting bags on a worksite at the Guingamp logistics facility (France). Profit centers also offer solutions for recycling and reusing materials at the local level, including in particular heavy materials such as aggregates and asphalt mix. Around 8.5 million metric tons of materials⁽⁸⁾ were reused in 2021, equating to 9% of the total output of Colas' quarries and gravel pits - the equivalent of 34 medium-sized quarries. As regards asphalt mix more specifically, reclaimed asphalt pavement accounted for 16% of asphalt mix produced by Colas in 2021, avoiding the need to produce over 320,000 metric tons of bitumen - equivalent to the bitumen output of a medium-sized refinery. Some sites achieve higher than average levels of recycling, such as the Lancaster site in Ohio (United States), where a surface coating technique using 100% reclaimed asphalt pavement (RAP) has been trialed.

Many Colas profit centers also employ solutions for reusing production waste and waste from local operations. One example is the Colstab Ostrea technique, developed with the Sète profit center in partnership with local authorities, for recycling oyster shells crushed into stabilized sand to paint markings on pedestrian and cycle routes.

Lastly, in offering its customers environmentally friendly alternatives, Colas promotes recycling techniques such as Recycol, a process for the in-place recycling of road surfaces that have deteriorated or reached the end of their useful life, which preserves resources and limits transportation requirements.

Indicators	Scope	Unit	2019	2020	2021
Quantity of materials recycled (by screening and/or crushing and/or other treatment)	World	Mt	9.2	7.8	8.5
Percentage of reclaimed asphalt pavement (RAP) used in asphalt mix	World	%	16	16	16

Recycling is increasingly being encouraged across the Group's various regions, increasing the quantity of materials recovered or received and processed at Colas sites. There has been a sharp increase in the quantity of recycled materials in Canada (up 76%) and France, where, in particular, the formation of a company specializing in soil decontamination and recycling, Tersen, has contributed to a sharp increase (24 percentage points) in the quantity of recycled materials. The Group has kept its percentage use of reclaimed asphalt pavement at a constant level. However, while total asphalt mix production increased 5% in 2021 (relative to 2020), the use of reclaimed asphalt pavement increased 7%.

(8) *Materials that have been through a recycling process, i.e., through a hopper for screening, crushing or any other treatment, whether concrete from demolition sites, reclaimed asphalt pavement, aggregates, material from trenches, asphalt, etc. Materials from road surfaces recycled in place are not included in this indicator. The indicator is based on gross incoming tonnage and not tonnage of outgoing finished products.*

3.4. Rising to the challenges of the circular economy across the Group

Colas is responding to the challenges of the circular economy across the whole of the Group, not limiting its focus to heavy materials such as aggregates and reclaimed asphalt pavement.

Colas' non-road businesses are delivering on this commitment in accordance with their own key priorities: for example, at some of its sites, Colas Rail UK has replaced wooden railway ties with recycled plastic ties covered with fiberglass. This has the dual benefit of both preserving materials and shrinking the product's carbon footprint.

To raise awareness and make tangible progress towards a circular economy, Colas helped set up, via the Bouygues Group, the Global Circular Economy Chair, the first international chair dedicated to the circular economy. The purpose of this chair is to train future Chief Circular Economy Officers who will help organizations transition to a circular economy model. Through this partnership, Colas is working to identify solutions that can be operationally implemented across its business, notably by providing case studies for students and taking part in training them.

Colas is also addressing its own impacts by making employees aware of the importance of preserving resources and implementing solutions that help achieve this goal as part of employees' day-to-day activities. There are many examples across the Group. For instance, at subsidiary Aximum, plastic water bottles have been replaced with individually named stainless steel bottles.

4. Reducing the impact of our activities to bolster acceptability

Colas' activities are firmly rooted in the regions and local areas where the Group operates. Local residents, users and customers all expect us to limit the impact of our operations. Colas draws on its expertise to limit environmental and other impacts associated with its construction materials production activities and its construction projects.

This commitment can be broken down into three key areas:

- reducing the environmental impact of our activities;
- maximizing the socioeconomic benefits of our activities;
- improving the social acceptance of our facilities and worksites.

This commitment is overseen by the Environment department and promoted within entities by the Environment network, which helps operational staff implement initiatives. This Environment network, set up more than 20 years ago, has gained expertise in various environmental issues, environmental management, and associated regulations and standards, which it helps operational staff put into practice. More and more employees with expertise in the environment, polluted sites and soil, environmental risk management, carbon emissions, and so forth are joining the network.

4.1. Reducing the environmental impact of our activities

ENVIRONMENTAL POLICY

Environmental impacts across all of Colas' activities (production and construction) are chiefly managed using environmental management systems, most of which are ISO 14001-certified. Colas has also developed an annual environmental self-assessment tool consisting of a system of checklists that has been in use worldwide for over 15 years and applies to ten types of stationary activities⁽⁹⁾.

In 2021, 76% of the Group's operations carried out this self-assessment, completing a total of 2,312 checklists across all stationary activities. Completed checklists are used to determine the degree to which the environmental impact of activities is being managed and to identify compliance failures that could adversely affect the environment so that action plans can be drawn up to improve on-site environmental management. For 2022, plans are in place to incorporate issues relating to new climate and biodiversity challenges across all Colas' activities.

⁽⁹⁾ Colas' stationary activities: asphalt plants, extraction activities, binder plants, bitumen depots, ready-mix concrete plants, recycling platforms, waste storage facilities, workshops, depots and laboratories.

Alongside this approach, specially trained internal auditors carry out annual inter-subsidary environmental cross-audits in Belgium, Mainland France and Switzerland to assess Colas facilities and strengthen prevention. This approach is currently being rolled out across other geographical regions, with an initial pilot planned in Canada in 2022.

Indicators	Scope	Unit	2019	2020	2021
Percentage (on a CAE* basis) of materials production activities managing their environmental impacts	Materials activities ⁽¹⁰⁾ (World)	%	89	83	88
Percentage (on a CAE* basis) of materials production activities with environmental certification	Materials activities (World)	%	65	61	63
Percentage of materials production activities that carry out environmental self-assessments using Colas checklists	Stationary activities ⁽¹¹⁾ (World)	%	71**	72	76

* CAE: revenue + intra-Group transactions and disposals.

** The rate of checklist-based environmental self-assessment in 2019 has been corrected relative to published 2019 and 2020 figures, which were found during the preparation of this document to contain an input error.

The percentage of materials production activities managing their environmental impact increased by 5 percentage points. This was mainly due to a 28-point increase in this indicator for Canada.

Colas also takes into account environmental issues at the design stage of its products and services. This entails, in particular, carrying out lifecycle analyses for some products (e.g., Vegecol®), offering alternatives that are more environmentally friendly than standard solutions (for example with the help of the Seve® software) and optimizing the use of recycling on construction sites to reduce their impact on natural resources. An English language version of Seve® has been rolled out and staff at Colas UK have produced two initial proposals promoting environmentally friendly alternative solutions to their customers.

ENVIRONMENTAL TRAINING AND AWARENESS

To implement these tools and improve environmental management at Colas sites, employees need awareness-raising and training in environmental protection. For example, staff working on Colas worksites attend regular 15-minute QSE briefings designed to raise workers' awareness of safety and environment-related issues specific to the work in progress. These briefings cover issues including waste, biodiversity, risks of accidental spillage, energy-related risks and, more recently, climate issues.

On April 8, 2021, Colas held its first Environment day to raise employee awareness of climate issues through 15-minute Environment briefings at worksites and webinars attended by over 2,000 employees. The Environment department also delivers training in environmental issues as part of Colas in-house training programs (ISO 14001, Internal Environmental Audits) and, in particular, business-line-specific training (soil and water pollution, waste management and acceptability). Colas also makes available within Colas Share Environment (an environmental knowledge management tool) themed factsheets drawn up by experts from the Environment network and other areas relevant to the subject in question. Topics covered include, for example, water management and odor management techniques.

REDUCING OUR ENVIRONMENTAL IMPACT

Efforts to reduce the Group's environmental impact mainly focus on the following activity-specific areas:

- discharges and emissions;
- nuisances: odors, dust and noise;
- management of liquid products liable to cause soil and/or water pollution;
- water management;
- waste.

Furthermore, work began in 2021 to draw up minimum environmental standards to be rolled out across the Group by 2023.

(10) Permanent quarries; permanent gravel pits; borrow pits; stationary hot mix plants; stationary cold mix plants; oil and bitumen refineries; asphalt plants; stationary binder, emulsion and/or modified binder plants; construction waste disposal sites and concrete plant landfill sites; stationary precast plants; stationary recycling; mobile recycling; asphalt membrane plants; sundry stationary plants and facilities; stationary bitumen binder depots.

(11) Permanent quarries; permanent gravel pits; borrow pits; stationary hot mix plants; stationary cold mix plants; oil and bitumen refineries; asphalt plants; stationary binder, emulsion and/or modified binder plants; construction waste disposal sites and concrete plant landfill sites; stationary precast plants; stationary recycling; mobile recycling; asphalt membrane plants; sundry stationary plants and facilities; stationary bitumen binder depots; workshops; laboratories.

DISCHARGES AND EMISSIONS

Discharges into the air, water or soil as a result of Colas' activities can cause various kinds of pollution. Such discharges are mainly linked to industrial activities at some stationary sites. Environmental checklists are used to make sure such discharges are properly managed and a range of initiatives is in place to ensure that this is the case. For example, asphalt mixing plants tend to generate smoke when in operation. To reduce or eliminate such discharges, sites can lower their production temperatures, optimize filter and burner maintenance and install fume extraction systems.

Indicators	Scope	Unit	2019	2020	2021
Percentage of finishers equipped with a bitumen fume extraction system	World	%	64	66	71
Percentage of asphalt planers equipped with a dust extraction system	World	%	56	61	59

The percentage of finishers equipped with a bitumen fume extraction system increased by 5 percentage points in 2021, while the percentage of asphalt planers equipped with a dust extraction system declined slightly. Efforts in this area continue to progress as and when equipment is replaced.

NUISANCES: ODORS, NOISE AND DUST

Colas' activities may generate pollution in the form of odors, noise and dust. Such nuisances are among the points covered by internal checklists. Noise measurements are taken at stationary sites to verify regulatory compliance.

Examples of action taken are as follows:

- Odors: installation of systems to detect and treat odors on sites; lowering of asphalt production temperatures; and a partnership and ongoing work between Colas France, Continental Bitumen and the Chemicals division of the CST⁽¹²⁾ which has gathered feedback in a number of countries (France, USA, Canada, Thailand and Australia). A themed information sheet is also available listing steps to be taken to limit the impact of odors on sites.
- Noise: solutions for reducing noise on worksites are set out in a themed information sheet covering steps to be taken to reduce environmental impacts. Examples include adjusting working periods, installing idle cut-offs on machinery and using equipment fitted with noise shields.
- Dust: solutions to reduce emissions and the spread of dust around sites (sprays, green walls, windshields, scrubbing, etc.). These actions have been proposed by Environment experts and the Equipment and Quarries departments.

MANAGING LIQUID PRODUCTS LIABLE TO CAUSE SOIL AND/OR WATER POLLUTION

Liquid products are often stored and used at stationary sites and on worksites. Special care is taken when storing such products: the environmental checklist, which applies to all stationary sites, sets out the requirements and is used to determine whether a site is compliant and meets all criteria relating to the proper management of waterborne discharges. These requirements mainly relate to sealing sensitive areas of sites, collecting effluent and directing it to treatment points, installing retention and sludge separation facilities equipped with closing systems, and installing sealing systems to isolate sites in the event of a spillage.

WATER STRESS

Faced with the challenges of reducing water consumption, generally speaking, Colas must analyze and take into account local water constraints. As well as being one of the criteria included in applicable environmental standards, water management is also covered by regulations and checklists.

Colas introduced indicators to measure and limit the pressure exerted on water resources by its operations in regions where water is extremely scarce. In order to limit the pressure exerted by Colas on water resources in these regions, action plans aim to increase subsistence consumption of water, encourage recycling and reduce waste.

In 2021, water consumption at stationary Colas facilities in areas subject to extremely high-water stress is estimated to have been less than 868,000 cubic meters.

(12) CST: Campus for Science and Techniques.

Indicators	Scope	Unit	2019	2020	2021
Percentage of stationary activities (in terms of CAE*) located in areas facing extremely high-water stress	Stationary activities (World)	%	5	6	7
Water self-sufficiency rate of areas facing extremely high-water stress	Stationary activities (World)	%	77	40	79
Percentage (on a CAE* basis) of activities in areas subject to extremely high-water stress covered by an action plan	Stationary activities (World)	%	60	47	53

* CAE: revenue + intra-Group transactions and disposals.

According to the Aqueduct platform used to identify water-stressed areas, the number of Colas activities located in areas subject to very high-water stress varies significantly. As a result of these variations, which are increasingly frequent from year to year, the Environment department will be putting in place a history logging system to monitor changes in water-stressed areas and, in particular, to ensure that sites put in place action plans.

ACCIDENTAL SPILLAGES

Because it stores liquid products liable to cause pollution, Colas has drawn up requirements to protect surface water and groundwater against the impact of pollution at its stationary production and maintenance sites. These requirements are backed up by checklists and emergency protocols are set out in themed factsheets.

WASTE

Waste generated by Colas' activities includes inert waste (mostly from the demolition of roadways and buildings), non-hazardous non-inert waste (also from demolition, such as metal, wood and plastic) and excavation material. Environmental management systems and internal checklists are used to ensure that such waste is managed responsibly. Themed information sheets are also provided covering the management of both inert waste and non-hazardous non-inert waste. A significant proportion of demolition waste is recycled in the normal course of Colas' operations. These activities 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, debris, etc.

4.2. Maximizing the socioeconomic benefits of our activities

Firmly rooted in local areas, Colas' activities have both direct and indirect socioeconomic impacts: the Group's construction projects and industrial sites help develop and maintain employment and have a social and environmental impact. The Group has put in place tools and methodologies for calculating these impacts so as to maximize local added value. Highlighting these socioeconomic benefits is a key element of the corporate social responsibility approach and can help differentiate the Group's business.

FOSTERING LOCAL DEVELOPMENT AND EMPLOYMENT

The Group's business lines around the world mainly use the local labor force and prefer to use local subcontractors where possible. For example, in Ontario (Canada), the Nipissing-Miller Partnership between Colas subsidiary Miller Paving and the Anishinaabe community of the Nipissing First Nation promotes road construction training, offers jobs working on local road projects and creates business opportunities for indigenous suppliers and subcontractors, for example at the new Duchesnay Creek bridge completed in 2021. For the Cayenne Bus Rapid Transit project, Colas worked with a specialist firm to carry out socioeconomic research to determine the project's return on investment for the local economy in French Guiana in terms of new jobs, social inclusion, upskilling, local development and local purchases, as well as for the environment. The upshot was that 93% of total investment in the project would directly benefit French Guiana's economy.

Colas also draws on a network of partners, suppliers and subcontractors in all the countries in which it operates. In particular, Colas has formed partnerships with local, national and international start-ups and innovation ecosystems. This approach provides opportunities to trial and implement innovative solutions on projects and support the development of innovative businesses and an innovation ecosystem within the construction industry.

CALCULATING AND MAXIMIZING THE SOCIOECONOMIC BENEFITS OF OUR ACTIVITIES

Tools and methodologies have been developed to calculate the socioeconomic benefit of Colas' activities so that they can be highlighted locally and used to help differentiate the Group's business.

In the United Kingdom, the Social Value Portal and the TOMS methodology are used to calculate the social value created during a project's construction phase, in keeping with UK legislation. If customers wish, Colas UK can thus incorporate social value targets into its contracts: local employment, apprenticeships, inclusion for underprivileged groups, career guidance in schools, charitable commitments, use of local suppliers, etc.

A study on the Terzéo project in the Ile-de-France region also exemplifies this approach: analysis was undertaken to compare the planned new Terzéo recycling site with a scenario producing the same amount of materials from a quarry without any recycling. The study also quantified external impacts on the environment: as well as creating economic value and indirect jobs, it established that the Terzéo project reduced the local environmental footprint by 77% relative to a project to extract local natural resources without any use of recycling.

A project to identify the social and environmental benefits of solutions offered by Mobility by Colas was launched in 2021. This project aims to define CSR indicators specific to Mobility by Colas solutions (Moov'hub, ANAIS and Qievo) and build models measuring the impacts (both positive and negative) of a Mobility by Colas solution on a project.

4.3. Promoting social acceptance of our facilities and worksites

Securing acceptance of production sites and worksites by local residents is a key priority for Colas' business lines. Social acceptance is vital to the viability of the Group's facilities. Securing such acceptance involves listening to and dialoguing with residents and users to identify and prevent potential conflicts.

For the past few years, Colas has put in place a structure and tools for assessing and reducing potential nuisances, including for example complaint registers, notices on worksites, and websites for gathering complaints and analyzing when they occur in relation to hours of operation. In France, Colas has recently introduced apps to facilitate communication between local residents and employees in the field.

For example, the start-up Com'in offers a mobile app that notifies local residents in advance of potentially disruptive planned events and enables them to flag up instances of perceived disruption, which are then correlated with sensors gathering real-time data so that site managers can be alerted if noise thresholds are breached. This system has been implemented at some worksites and is being rolled out at industrial sites.

The Colas Hello Travaux mobile app, rolled out in France, Switzerland and the United Kingdom, enables real-time communication with local residents affected by nearby worksites. The app is updated weekly with works-related information (road closures, diversions, etc.) and users can ask questions and raise concerns.

Colas puts its worksite managers and superintendents, who are in direct contact with local residents and users, through training in local dialogue. This approach promotes ownership of this complex issue on the ground and ensures that each response is tailored to each local context. Furthermore, tools assessing the sensitivity of social acceptance have been implemented and shared with the network of environment experts to help identify priority stationary sites.

Indicators	Scope	Unit	2019	2020	2021
Percentage (on a CAE* basis) of materials activities with an organization for local dialogue	Materials activities (World)	%	44	43	48

* CAE: revenue + intra-Group transactions and disposals.

The overall percentage (on a CAE basis) of materials activities with an organization for local dialogue increased by 4 percentage points. This was the result of a 48-point increase in Canada, more specifically at the McAsphalt subsidiary, where 25 more materials production sites put in place an organization for local dialogue.

5. Attracting, developing and retaining talent through management excellence

At December 31, 2021, Colas had 55,411 employees in more than 50 countries, spanning a wide variety of jobs and skill sets.

Indicators	Scope	Unit	2019	2020	2021
Workforce by geographic location*	World	Number	57,037	54,651	55,411
<i>Total France</i>	(Mainland + Overseas)	Number	30,981	29,835	29,105
<i>Europe</i>		Number	10,055	9,912	9,729
<i>Indian Ocean/Africa/Middle East</i>		Number	6,840	6,140	7,318
<i>North America</i>		Number	7,734	7,266	7,932
<i>Asia/Pacific (including New Caledonia)</i>		Number	907	822	769
<i>Central America/South America</i>		Number	520	676	558
<i>Total International</i>		Number	26,056	24,816	26,306

* 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.

The workforce increased slightly in 2021 (by around 1.5%). The increase was more or less the same across all geographical regions. The biggest percentage change (an increase of around 20%) was in the Indian Ocean, Africa and Middle East region, mainly driven by increases in Morocco and Madagascar to support growth in construction activity. The workforce also grew in North America, and more specifically Canada (Miller Group), albeit to a lesser extent (around 10%). The biggest percentage decrease was in Central and South America due to a decline in operations in Peru.

A key social responsibility priority for Colas is to attract and recruit up-and-coming talent by offering working conditions that provide for health, safety and well-being in the workplace while fostering diversity, employability and career development. To meet these challenges, Colas draws on management excellence and implements its human resources policy across all the regions in which it operates, with a focus on the following three strategic priorities:

- attracting and retaining talent;
- upskilling our workforce by strengthening managerial excellence;
- creating an inclusive work environment.

In 2021, a matrix-based organizational structure was put in place, with a corporate unit at headquarters performing various functions for the Group worldwide (recruitment, mobility, training, ties with schools and universities, talent management, rollout of HR tools, etc.). Alongside this corporate unit are five operational HR departments for Colas France, Colas Rail, Colas International (excluding the USA and Canada), Colas USA and Colas Canada. For each policy, Colas SA sets out the broad strategic direction, coordinates the network of HR managers and makes available a range of tools and processes. Each country identifies its own goals and draws up its own action plans in keeping with its local context.

5.1. Attracting and retaining talent

Colas has put in place a strategy to attract up-and-coming talent reflecting the diversity of our society (in terms of culture, ethnicity, age, gender, etc.). This helps create an inclusive work environment, where everyone feels respected and valued for their contribution. The goal is for each and every employee to achieve their full potential throughout their career.

ATTRACTING TALENT

With labor markets tight in many countries, finding and hiring new staff is key to Colas' ability to support growth in its business. Colas pursues a proactive policy of recruiting and integrating up-and-coming talent into its various business lines, notably outside France.

Colas' recruitment strategy is supported in part by its many partnerships with schools, universities and players in the academic community⁽¹³⁾, which help build strong relationships with students, resulting in offers for internships, work-study positions, and ultimately full-time jobs.

Partnerships with schools and universities are fully aligned with the Group's CSR approach in response to new sustainable development challenges. In 2021, Colas ran a CSR challenge with its network of partner schools and Agorize⁽¹⁴⁾ to promote its employer brand and CSR commitments. Colas also maintains a network of ambassadors who take part in initiatives put in place with partner schools: lectures, the Climate Fresco program, etc.

(13) Engineering schools, university technology institutes and other two-year higher education programs in public works and civil engineering, as well as institutions like Centre d'Égletons, a French public works training school.

(14) Agorize is a French start-up specializing in open innovation.

To attract new talent, Colas promotes the following via campus communication campaigns ⁽¹⁵⁾:

- internships and work-study programs, which help meet the Group's need for skilled employees, make up for skills shortages in some business lines and promote employee integration;
- the Graduate Program, a world-class 12-18-month program designed to integrate graduates into operational and management roles (in Finance, Sales and HR) while giving them an opportunity to explore various facets of a business line in different geographical regions.

In 2021, Colas accepted 61 people onto its Graduate Program in France. The Group also hosted more than 1,180 interns in France, with 32% of the 210 final-year interns taken on full-time.

Indicators	Scope	Unit	2019	2020	2021
External recruiting by status	World	Number	22,457	17,881	20,347
<i>Total France</i>	World	Number	3,847	2,679	3,598
<i>Managers</i>	World	Number	580	447	649
<i>Office staff, technicians and supervisors</i>	World	Number	985	650	998
<i>Workers</i>	World	Number	2,282	1,582	1,951
<i>Total International **</i>	World	Number	18,610	15,202	16,749
<i>Managers</i>	World	Number	3,530	2,536	3,165
<i>Workers</i>	World	Number	15,080	12,666	13,584
Number of leavers by reason	World	Number	19,679	19,964	18,769
<i>Number of leavers in France (under permanent contracts only)*</i>	France (Mainland + Overseas)	Number	2,969	2,909	3,376
<i>Redundancies (all reasons)</i>	France (Mainland + Overseas)	Number	1,259	1,203	1,210
<i>Mutually agreed terminations</i>	France (Mainland + Overseas)	Number	306	412	625
<i>Resignations</i>	France (Mainland + Overseas)	Number	839	751	980
<i>Other (retirement, death, termination or end of trial period)</i>	France (Mainland + Overseas)	Number	565	543	561
<i>Number of leavers outside France</i>	International including New Caledonia	Number	16,044	16,289	14,587

* In France, the total number of employees under permanent contracts who left over the year is recognized.

** 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).

Both in France and internationally, recruitment in 2021 was less affected by the public health crisis, picking up significantly relative to 2020. As regards leavers, with activity picking up across the board, the volume of resignations rose in France. It should be noted that the collective mutual termination scheme came to an end in the first half of 2021. The number of leavers outside France fell sharply (by around 10%), with less pronounced seasonal variation.

RETAINING TALENT

Spotting, retaining and developing talent is a key priority across all of Colas' business lines. To respond to these challenges, Colas set up a Talent Management department in 2021.

Management training courses available across all of the Group's business lines also encourage professional development and greater employability.

The talent management policy (including compensation) serves to coordinate career development activities across the Group, notably outside France, and to help build diversity within the business.

As part of its talent management policy, in 2021 Colas continued to roll out the ColasWay HR information system, which will ultimately help harmonize HR practices worldwide and monitor HR data across the entire Group. A Compensation and Benefits department was also created, notably to put in place indicators to monitor, in particular, employee compensation and benefits.

A management assessment campaign was conducted using 9-Box to assess talent by geographical region and business line. The goal is to put in place individual support plans and succession plans. Annual performance appraisals also provide an opportunity for employees to express their aspirations in terms of career development, mobility and training.

(15) Such campaigns include, in particular, video testimonials from young employees hired on permanent contracts after completing internships or work-study programs or highlighting their experience on the Group's Graduate Program.

Compensation policy, which aims to ensure that the overall compensation package is fair, is adapted within each individual country to reflect the local environment (economy, unemployment rate, local inflation, labor market conditions in the public works sector, etc.). Variable compensation at Colas is based on the performance of all entities and distributed on the basis of three criteria: Colas' operating profit or loss, the operating profit or loss of the subsidiary in question, and individual performance against targets for the year.

Compensation paid to the Chairman and Chief Executive Officer consists of a variable portion linked to financial performance and certain CSR indicators (prevention, gender diversity and the environment).

Additionally, 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 PERCOL (Plan d'Épargne Retraite Collectif) employee savings plans as well as profit-sharing plans.

Mobility is a key way for Colas employees to gain valuable experience and boost their employability. It aims to facilitate transfers between different functions and/or regions within Colas to help meet employees' goals and the staffing requirements of the business, in particular for its international development. Colas provides a number of tools to facilitate mobility (either within or between subsidiaries and countries) for employees worldwide. In particular, this involves developing more career routes between different geographical regions and making available a Mobility Charter and support schemes.

In 2021, Colas launched a new internal and external careers site to provide employees and applicants all over the world with access to job offers. The Bouygues Group's jobs platform is also available to Colas employees in France. "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.

FOSTERING DIVERSITY AND NON-DISCRIMINATION

Workplace diversity is both a valuable asset and a driver of performance. Colas wants to see all employees grow and thrive, regardless of their gender, origin, education, profession or country. The Group takes steps to foster gender diversity, employment and inclusion for people with disabilities and promote non-discrimination. With this in mind, Colas continues to raise awareness of non-discrimination among all managers through its "Working Together for Diversity" e-learning module.

Measures to promote gender equality

In France, based on gender equality index ⁽¹⁶⁾ scores calculated for 11 Colas companies (with over 250 employees each) as of March 1, 2021, four companies achieved or exceeded the threshold of 75 points. These results show how much room for improvement there is in France, with a similar picture in other countries where Colas operates. There is a need not only to attract and hire women but also to retain them by providing them with opportunities to progress within the business. In 2021, Colas updated its gender diversity action plan focused on the three key areas of attractiveness, recruitment and retention, adding two more priority areas: development (career progression) and separation (understanding why people leave). The plan, which is strongly backed by the Bouygues Group, is to be rolled out in 2022 and will regularly be talked about by entities' Executive Management teams.

Colas undertakes a range of initiatives aimed at attracting women to work in technical fields thanks to partnerships (e.g., with non-profit organization Elles Bougent in France and NGO WISE ⁽¹⁷⁾ in the United Kingdom) and relationships with schools and universities: meetings are held with construction and civil engineering schools in Africa and Colas has partnered with the Concours Génération Égalité competition sponsored by Conférence des Grandes Écoles. In 2021, Colas continued its involvement with the ESTP engineering school's women's awards in France. Colas also attends job fairs focused on hiring women in historically male-dominated sectors (e.g., the Society of Women Engineers Career Fair in the United States). To broaden recruitment in France, internal recruiters, temporary employment agencies and recruitment firms are regularly reminded of the principle that they need to put forward applicants of both genders for all vacant positions wherever possible.

Colas is continuing with and enhancing the set of support measures put in place for its female employees. In 2021, around 30 female employees were offered either a leadership development training course (*Leadership*) or a year of mentoring with a Colas or Bouygues manager. These programs will run again in 2022 with the addition of an "International leadership" session, which was cancelled in 2021 because of Covid. Furthermore, 12 women from Colas are taking part in a Bouygues Management Institute program called Trajectoire, which aims to boost their career progression in hopes that they will eventually join the Executive Committees of Bouygues Group subsidiaries.

(16) 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.

(17) Women Impacting Storebrand Excellence.

Commitments given in response to the expectations of the WE network⁽¹⁸⁾ were strengthened in 2021 when Colas signed up for Happy Men Share More, an initiative to encourage men to take practical action in support of gender diversity: five Colas senior executives belonging to the WE network have made strong commitments this year within their respective scopes of responsibility. In the United States, in addition to the WE USA network, a Women's Initiative Network (WIN) has been set up to provide female employees with access to networking tools. In Canada, the WE Canada network, launched in 2019, continued with its initiatives in support of diversity and inclusion, in particular through training for managers and HR staff and events such as Women's Week, held in March 2021.

On March 8⁽¹⁹⁾, the Human Resources and Legal and Compliance departments reaffirmed the Group's zero tolerance policy in relation to sexism and reminded employees of the associated whistleblowing procedures available to them. Two panel discussions on gender diversity were also held in conjunction with non-profit organization Elles Bougent (in North Africa and Central Europe). The network of female sponsors and ambassadors was also called on to promote working for the Group's businesses. Lastly, from November 15 to 19, 2021, 20 female employees of Colas in France and abroad took part in the four-day Women's Forum for Economy and Society coordinated by Bouygues SA. As in 2020, proposals put forward by the Group's delegation will feed into and strengthen Colas' action plans.

Indicators	Scope	Unit	2019	2020	2021
Workforce by gender*	World	-	-	-	-
Percentage of women	World	%	10.8	11.3	11.4
Percentage of men	World	%	89.2	88.7	88.6
Representation of women in the Group*	World	-	-	-	-
Female office staff, technicians and supervisors	World	%	21.4	22.1	22.3
Female workers	World	%	2.8	2.9	2.5
Female managers (as % of total managers)**	World	%	10.4	9.6	11.1
Percentage of women within executive bodies***	World	%	-	-	15.4

* All types of contracts (permanent, temporary, seasonal).

** Number of women managers relative to the total number of managers. Managers are identified by grade determined on the basis of Job Code. It corresponds to the levels 70 and above.

*** Members of the Strategy Committee and the Executive Management Committee counted as of December 31: a new indicator for 2021.

The percentage of women managers increased, notably thanks to all the various actions implemented under the Gender Diversity Plan. Trends in other indicators backed up the improvement seen in 2020.

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. The action plan is structured around recruiting people with disabilities, supporting employees to safeguard against the risk of unfitness for work and expanding the use of sheltered employment organizations whenever possible.

In France, Colas works closely with local Cap Emploi offices. Human Resources managers 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 2021, training on safeguarding against the risk of unfitness for work was suspended because of the public health crisis. This training will resume in 2022, in particular for new recruits in the HR function.

In the United Kingdom, thanks to its disability initiatives, Colas Limited has secured "Be Fair" accreditation⁽²⁰⁾ in recognition of its commitment to fairness and inclusiveness. Work is in progress to secure reaccreditation in January 2022. As part of this commitment, the in-house "Be Fair" team underwent training to strengthen its skills and organized workshops with suppliers.

In 2021, Bouygues SA and five subsidiaries pooled their resources to strengthen inclusion for people with disabilities within the Group in partnership with six top para-athletes, notably including Gwladys Lemoussu (triathlon) for Colas.

Lastly, sheltered employment organizations are called upon increasingly frequently (for example on Reunion Island, where subsidiary GTOI continues to pursue its policy and has stepped up communications in this area, and in Martinique, where revenue generated with sheltered employment organizations has doubled). The sector was promoted further in 2021, notably during a CSR webinar setting out Colas' commitment to responsible purchasing, as well as to user areas such as Facilities, Communications and Purchasing.

(18) WE network: a mixed-gender Colas network promoting gender diversity.

(19) International Women's Day.

(20) Accreditation issued by the UK's Construction Industry Training Board.

Indicators	Scope	Unit	2019	2020	2021
Number of disabled employees*	France (Mainland + Overseas)	Number	874	865	771
Number of disabled employees hired*	France (Mainland + Overseas)	Number	17	14	6
Revenue from companies that employ people with disabilities	France (Mainland + Overseas)	€	1,801,102	1,224,644	1,223,751

* Fixed-term and permanent contracts.

The number of employees with disabilities declined, mainly due to a high number of leavers (either natural or under the collective mutual termination scheme).

Combating discrimination in all its forms

Colas continues to pursue its policy of combating discrimination in all its forms through a range of actions worldwide, including specific content included in manager training (notably in the USA), articles in the Colas Inside newsletter and partnerships (e.g., the PAR program⁽²¹⁾ in Canada and “Be Fair” accreditation in the United Kingdom). In 2021, the “Working Together for Diversity” non-discrimination training module was extended to include managers. This module covers seven types of discrimination: by sex, age, national origin, disability, religious beliefs, trade union membership and sexual orientation.

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.

5.2. Upskilling our workforce by strengthening managerial excellence

Colas invests in upskilling its employees to make them more adaptable to changes in the business. In 2020, investment in training equated to 1.6% of total payroll (3.13% in Mainland France). This investment translates into a tailored range of digital training covering the entire scope of business requirements and underpinning a culture of continuous learning. In particular, it reflects the strategic training goals set by the Group Human Resources department and covers the following strategic priorities:

- nurturing the corporate culture;
- reinforcing operational excellence;
- helping the company navigate strategic change.

NURTURING THE CORPORATE CULTURE

Employee engagement is rooted in a shared understanding of Colas’ values and CSR commitments. That being the case, managers play a key role in gaining buy-in to the company’s values so as to motivate and retain talented people, maintain a positive labor relations climate and support environment-related change. To this end, all employees are required to complete five mandatory training modules: safety, cybersecurity, ethics, diversity and GDPR. These digital modules are accessed via the in-house Colas Campus platform.

Furthermore, the first Colas University course, which aims to develop employees’ skills and their knowledge of Colas and is taken by all young managers joining the business, helps raise awareness of Colas’ CSR commitments. In 2020, the four Colas University courses had 178 participants, guiding them through the key stages of their professional development within the Group.

REINFORCING OPERATIONAL EXCELLENCE

Strengthening operational excellence means maximizing performance in terms of safety, quality, productivity and customer satisfaction. The One Colas Excellence training program consists of nearly 25 video modules focusing on operational excellence and aimed at strengthening technical expertise and mastering key site processes. Similarly, a module covering project acceptability was rolled out worldwide via Colas Campus in 2021. The business line Academies approach, launched in 2021, offers business-line-specific training paths (Purchasing, Materials, etc.) to professionalize the business lines (through skills development, dialogue, international openness, etc.).

(21) Progressive Aboriginal Relation: certification confirming the company’s performance in respect of relations with indigenous peoples.

SUPPORTING STRATEGIC CHANGE

Technical, technological and strategic changes take place regularly within the company. Colas' strategic direction in terms of training policy is also reflected in the two key trends of digitalization and internationalization.

Staff in the training community have supported two major changes of software environment (Copernic and ColasWay) by delivering face-to-face and remote training modules to thousands of employees worldwide. In addition to these policies, Colas subsidiaries also have their own training strategies designed to respond to more local and/or context-specific needs.

Colas' Training Department extended its international reach, notably through its digital content distribution platform (Colas Campus) 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. Both digital and face-to-face training is being rolled out internationally.

Colas also rolled out an online language learning solution for all employees in 2021, providing unlimited access to over 7,500 training resources (virtual classes, videos, articles, practical exercises, grammar lessons, etc.) available in nine languages.

Indicators*	Scope	Unit	2018	2019	2020
Number of employees trained	World	Number	37,608	37,937	36,722
Number of days of training	World	Number	114,904	111,426	82,027

* Figures related to training are consolidated in fiscal year Y for the period Y-1.

Indicators*	Scope	Unit	2019	2020	2021
Number of people under apprenticeship contracts taken on during the year	France	Number	566	477	604
Number of people under vocational training contracts taken on during the year	France	Number	261	142	110

* Numbers of work-based training students taken on (under apprenticeship and vocational training contracts) are those for the year in question.

Although the Covid-19 crisis severely impacted the volume of training hours in 2020 (down more than 25% relative to 2019), the number of employees trained was more or less the same as the previous year. It should be noted that employees spent a total of almost 17,000 hours on the Colas Campus online training system (compared with 15,000 hours in 2019). Furthermore, the number of work-based training students taken on picked up again in 2021, consistent with the upturn in recruitment in France.

5.3. Creating an inclusive working environment

Employee engagement is vital: Colas works with employees to create a working environment that meets their expectations. This involves not only labor-management dialogue and agreements, employee dialogue and working time arrangements but also encouraging employees to get involved in local socially oriented initiatives.

CONDITIONS FOR LABOR-MANAGEMENT DIALOGUE AND AGREEMENTS SIGNED WITH EMPLOYEE REPRESENTATIVES

Labor-management dialogue is underpinned by employee representation within Colas entities. In France (Mainland and Overseas), labor-management dialogue now takes place through 277 employee representative bodies. Turnout at elections was unchanged in 2021 at 84%. In Europe and Africa, three-fourths of companies employing more than 300 people had staff representation comparable to that in France, while in North America (United States and Canada), labor-management dialogue takes place via trade unions and industry bodies.

Furthermore, through its involvement in the European Works Council, Colas may be called upon to answer questions from representatives serving on the Council to do with its activities in European countries in which it operates or its employee policy more generally.

Some highlights in Mainland France in 2021 include:

- an agreement on the introduction of a specific long-term short-time work arrangement;
- an agreement covering arrangements under which a fixed number of days are worked, aimed at standardizing HR management practices and making it easier for employees to move between companies and business lines;
- an agreement to harmonize the employment status of Colas France employees.

The last agreement on quality of life in the workplace, dated end 2017, expired on December 31, 2021. This agreement encompasses, in particular, measures in support of work-life balance, work organization, support for parents and assistance for employees who are caregivers. Given changes in working arrangements brought about by the public health crisis, a new Group-wide agreement on remote working was negotiated and entered into force on January 1, 2022. This agreement aims to increase the regular use of remote working (two to three days a week) and facilitate occasional remote working (25 days a year) so that more employees can benefit from such arrangements. Negotiations concerning other provisions to do with quality of life in the workplace also began towards the end of 2021 with the aim of reaching a new dedicated Group-wide agreement to take effect in 2022. Other agreements on gender equality have been in place for a number of years, particularly in other regions (e.g., Mayotte and Reunion Island).

EMPLOYEE DIALOGUE

In June 2021, Colas launched its first survey of all employees, titled "Dialogue". The survey, distributed in 18 languages across 44 countries, covered various themes: workplace well-being, engagement, health and safety, workload, management of the public health crisis, buy-in to the Group's values and understanding of corporate strategy. The results were analyzed by industry/business line and geographical region. Local action plans will be implemented in 2022. Another survey will be run in September 2022 to gauge opinion and measure both overall engagement and how satisfaction has changed across these various themes.

ENCOURAGING EMPLOYEE INVOLVEMENT

Colas has put in place programs to enable employees to get involved in socially oriented initiatives. Colas supports local communities located close to its worksites by helping install facilities, making donations and supporting local residents.

For example, in France's Provence-Alpes-Côtes d'Azur region, the entire workforce of the regional headquarters spent a day helping non-profits working to protect the environment and biodiversity. In France and Côte d'Ivoire, Colas is involved in Forest and Life, an educational program founded by Canopé and Kinomé. The goal is to participate in reforestation projects and educate children about key sustainable development issues. In developing countries where Colas established operations many years ago (in Madagascar, West Africa and Central Africa, in particular), Colas is involved in health initiatives that cover employees, their families and local populations. In Alaska, where the nights are long in winter, Colas staff educate local schoolchildren about night-time visibility by giving talks in schools and handing out high-visibility caps.

At Colas, participating in local life also involves running corporate patronage and sponsorship activities governed by Colas' compliance policy. In 2021, patronage donations mainly related to solidarity-based and humanitarian initiatives, reflecting a commitment to supporting local people, particularly outside France. As in previous years, sponsorship focused on sports. The Colas Foundation updated its corporate purpose: across all regions in which Colas has a presence, it will back initiatives in support of social inclusion and access to employment for children and young people through education, business, sports and culture.

Indicators	Scope	Unit	2019	2020	2021
Total cash patronage and sponsorship	World	€m	6.6	5.2	3.9
Total in-kind patronage and sponsorship	World	€m	0.2	0.4	0.3

Total patronage and sponsorship expenditure declined by 29% between 2020 and 2021 as a result of the Covid-19 crisis (due to some events being cancelled or postponed and cautious budgeting).

6. Fostering a stronger health and safety culture to protect lives

For Colas, health and safety is a top priority. Reducing health-related risks and accidents in the workplace and on the road isn't just good for employees – it also benefits other users, local residents, partners and more. Our goal at Colas is to reinforce a culture of health and safety worldwide. Colas is committed to valuing its human capital and actively working to provide tangible, exemplary working conditions for all its people, in which risks to their health and safety are kept to a minimum. Similarly, the approach to security and crisis management helps protect the workforce and the Group's activities.

In 2021, Colas set up a Health, Prevention and Security (HPS) department. This seven-person team is part of the Innovation & Sustainability department. A network of safety managers was set up several years ago to help enforce health and safety policy, backed up by a wide range of prevention tools including safety training, operational processes and tools shared via the multilingual ColasShare platform, which is also used to share best practice. Furthermore, a network of security managers in each country works every day to protect Group employees against the risk of malicious activity.

The health, safety and security roadmap has the following two key goals:

- consolidating the health and safety culture for all stakeholders;
- security and crisis management.

6.1. Consolidating a health and safety culture for all stakeholders

Colas has set itself a “zero accident” target. The Group prioritizes the health and safety of all employees by complying with the laws in force in each country in which it operates. Colas also runs ad hoc prevention and awareness programs and provide its people with equipment adapted to their specific needs.

ENHANCING WORKPLACE SAFETY

Colas has been implementing One Safety, a cultural change program run in conjunction with a recognized provider, since 2019. Rollout is supported by feedback from the Goal Zero program previously implemented in North America. The One Safety program encompasses a number of different approaches including “See and Tell” training, engagement workshops and the creation of a coaching network. Around 70% of managers across Mainland France, French-speaking Belgium, French-speaking Switzerland and Reunion Island had been trained as of end 2021, bringing the total number of employees reached by the program to nearly 10,000. Early results are already visible: routines are being established (safety meetings, “starter” safety briefings, etc.) and their rollout is being measured via the Quick Connect computer system developed in-house (with the number of monthly records averaging 40,000 at end September 2021).

Furthermore, the 5 Rules of Life and the 10 Life-Saving Rules⁽²²⁾ are shared by and applicable to all Colas entities worldwide. These rules are monitored at bi-monthly meetings arranged by the HPS department and attended by correspondents from the network. Compliance with these rules is always reviewed when analyzing workplace accidents. The Rules of Life and the Life-Saving Rules have now been rolled out across the entire Group worldwide. Some entities, such as Colas Rail, have adapted the rules to reflect legislation specific to rail activities. The Group rules form part of mandatory training for all new entrants at Colas (employees, temporary and seasonal staff, apprentices, etc.).

A number of initiatives were launched in 2021 to streamline communication and facilitate sharing: a documentation structure was created, a bilingual health, prevention and security glossary was drawn up for use by all Colas entities, an organization chart for the health, prevention and security network was published, structured bi-monthly meetings were held across the entire prevention network, and so on. These prevention, safety and security initiatives will be supplemented by new digital projects.

Colas is also developing innovation projects aimed at protecting employee safety. For example, the Safer@work project, in partnership with vehicle manufacturer Volvo, aims to create a “safety bubble” around machinery to prevent collisions between machinery and pedestrians. Such innovation projects can be found in all business areas: for example, the Aximum subsidiary in France has begun to roll out tiny mobile robots to apply road markings, thus minimizing the need to expose employees to traffic.

(22) The 5 Rules of Life cover the following areas: shared vigilance; imminent risks; safety procedures; telephones; and drugs and alcohol. The 10 Life-Saving Rules cover the following areas: personal protective equipment; collisions between machinery and pedestrians; working in traffic; safe driving; consignment/deconsignment; working at height; lifting; excavation; work carried out near utility grids; and skills and authorizations.

In 2021, Colas also registered for the PASI trial: this certified training course is designed to provide temporary staff with benchmark site safety training tailored to the needs of building and public works firms to avoid the need to retake the same type of training whenever they are hired by a user company.

In 2022, Colas aims to halve the number of workplace accidents resulting from non-compliance with rules and to have zero fatal accidents resulting from non-compliance with rules.

Indicators	Scope	Unit	2019	2020	2021
Frequency rate of employee workplace accidents*	World	%	6.19	6.12	5.04
Severity rate of employee workplace accidents**	World	%	0.38	0.44	0.40
Number of fatal employee accidents***	World	Number	3	5	1

* Number of lost-time accidents x 1,000,000/Number of hours worked, not including accidents following sudden health incidents. These are accidents declared and recognized by the competent authorities, e.g., the CPAM in France.

** Number of working days lost x 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."

*** 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. Commuting accidents and fatal accidents following sudden health incidents are not included.

Efforts in 2021 focused on consistently and fully applying the Rules of Life and the Life-Saving Rules. At the same time, the cultural change program in the area of safety is reaching more and more employees in the field. These two complementary approaches are gradually bearing fruit, in particular by significantly improving frequency and severity rates.

ROAD SAFETY

The road safety action and prevention program in place at Colas relies on subsidiaries and business units' day-to-day commitment to implementing a policy of regularly raising employees' awareness of road risks. Each Colas 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.

In France, this approach is implemented on the ground through a program focused on the following:

- raising drivers' awareness of safe driving rules (through road safety training, post-accident analysis, driving audits and communication tools such as comic strips, videos and posters);
- organizing journeys;
- the vehicle fleet (purchase and maintenance; active and passive safety equipment such as onboard telematics, gradually being rolled out across the Group);
- the environment (road infrastructure, traffic plans, etc.).

On December 8, 2021, Colas signed the "7 Commitments for Safer Roads" in partnership with the Road Safety Delegation, highlighting its desire to continue pursuing road accident prevention initiatives and improving its performance in this area, with the frequency rate⁽²³⁾ already more than 75% lower than it was in 1997.

Similar road accident prevention training and awareness programs have also been developed in many other countries.

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 accelerated in the following two years owing essentially to the reduction in travel resulting from the public health crisis, leading to a decrease of 54% between 2004 and 2021. While this rate remains lower than in 2019, it was 13% higher in 2021 than in 2020; this was to be expected given the strict lockdown that all but eliminated road traffic for several months in 2020 in a number of countries (including France).

For many years, Colas has also focused a significant portion of its research and development work on road safety: for example, in road construction, the company has developed high-grip road surfaces to lower the risk of accidents; it is currently developing its Flowell solution to improve road signaling and user safety. In the field of digital technology and data utilization, Colas is rolling out the ANAIS system to help road network managers identify sections of road in need of attention and near-accidents on their networks, to support them by suggesting maintenance planning recommendations and to monitor road safety across their networks (via an environmentally friendly driving score).

(23) Frequency rate of road accidents with a third party involving a Colas vehicle as a percentage of the total number of Colas vehicles.

PROTECTING HEALTH IN THE WORKPLACE

The Colas Group endeavors to offer its employees social protection. In France, all employees are entitled to insurance covering health (long-term absence from work and death) and associated costs, with cover exceeding both statutory and contractually agreed minimum levels (in particular under a “responsible contract”). As well as contributing to employees’ health cover, the Group also contributes towards the cost of cover for employees’ family members. In the other countries, all employees are covered by the ByCare program, which aims to offer a range of core employee benefits based on best practice in each country.

In addition, Colas issues employees working away from home with a booklet providing guidance on how to protect their health. Illnesses specific to certain geographical regions are covered by local prevention plans. Employees working away from home are provided with specific factsheets⁽²⁴⁾ when booking tickets with travel agents connected to the travel tracking system.

Colas also takes steps to protect employees’ health on a day-to-day basis. The 9th Safety Week, dedicated to raising awareness of health and safety issues, ran from October 4 to 8, 2021 and focused on two key health-related issues: migraines and cardiovascular diseases. Throughout the week, employees had opportunities to watch and discuss videos and attend dedicated workshops.

Colas also undertakes local employee health initiatives such as the following:

- in Madagascar, an aid station is available and two doctors are on hand to provide front-line care for common complaints and carry out mandatory medical check-ups;
- in Côte d’Ivoire, an occupational physician and aid station (staffed by nurses) is available at each site to take care of employees;
- in the Indian Ocean region, an awareness campaign keeps employees informed of the risk of diabetes, which is a major public health issue in that part of the world.

Colas is also developing innovation projects aimed at protecting employee health: one example is Asphaltator in the Ile-de-France Normandie region, aimed at preventing the emergence in workers of musculoskeletal disorders. In other regions, Colas France runs physical preparation sessions to reduce the risk of muscle injuries and musculoskeletal disorders. These sessions are run at the outset of construction work and throughout operational activities. This best practice is also followed at office sites. Research is ongoing at Colas France, in the Indian Ocean region and in Overseas France into the use of powered exoskeletons to reduce the need to carry heavy items. Drug and alcohol awareness campaigns, initiated in the North-East region, are also ongoing.

Indicators	Scope	Unit	2019	2020	2021
Number of employees recognized as suffering from an occupational illness during the year	World	Number	120	73	113
Number of consecutive lost-time days following workplace accidents	World	Number	42,086	47,232	43,458
Absence rate*	France (Mainland + Overseas)	%	4.85	5.99	6.13
Number of hours worked	World	Number	110,173,788	106,272,726	108,038,151

* 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.

The number of employees recognized as suffering from an occupational illness rose, though it remained below pre-pandemic levels. With the pandemic continuing, the absence rate remained more or less unchanged from 2020. However, the number of working days lost due to workplace accidents declined significantly as a result of focused efforts in this area.

6.2. Security and crisis management

Protecting the workforce and the Group’s activities from malicious acts and risk is also a priority. Specific steps are taken to anticipate and safeguard against key risks as well as to respond to crisis situations.

The approach to security encompasses a range of procedures, tools and training across the Group. Colas has rolled out specific tools to improve its ability to anticipate and effectively manage crises.

The Group Crisis Management Manual forms the core of the Group’s crisis management approach. This manual has been rolled out to entity management teams and is backed up by specific training and regular crisis exercises. The aim is to ensure a consistent crisis management methodology and thus to more efficiently manage crises affecting the Group as a whole.

(24) Factsheets set out information about security risks in the countries concerned.

Another essential tool is the Golden Book, which consists of information sheets summarizing the first steps to take in a crisis or other high-pressure situation. These crisis management tools are supplemented by operational business continuity plans, which are updated annually by local entities.

With the number of international journeys averaging over 6,000 every year (excluding 2020), the security policy also aims to ensure employees are protected when they travel. Country risk assessments are updated daily thanks to geopolitical monitoring carried out directly by a security expert from the Health, Prevention and Security (HPS) department. A mobile app designed to provide employees with information essential to their safety both before and during travel was tested in 2021 with a view to being rolled out in 2022. Alongside this approach of ongoing personalized protection, all POB/POS⁽²⁵⁾ registers are now collected digitally to ensure that an up-to-date list of personnel working in a given country or on a given site is always available.

Whenever a new project is launched in a region identified as high-risk, a risk assessment is always carried out using a Group-specific matrix, following which a General Security Plan is put in place. This plan, which is drawn up by a Security Manager dedicated to the project in question using a standard template prepared by the HPS department, identifies security measures to be adopted to ensure the security of the Group's personnel, property and assets.

The HPS department helps Group entities and personnel protect against malicious activity by carrying out site security audits and implementing physical protection measures in response to high-risk situations as and when they arise.

MANAGING THE PUBLIC HEALTH CRISIS

Global public health monitoring procedures put in place from the first week of January 2020 were maintained throughout 2021. Actions taken include the following:

- instructions and regulations are analyzed and shared by the HPS department, which monitors regulatory changes and ensures they are communicated within the Group;
- the HPS department updates public health protocols so that work can safely continue;
- as regards buildings, the HPS department works with the Real Estate department to ensure that physical restrictions required by local regulations are observed, supplemented where applicable by measures specific to Colas;
- the specially created dedicated multidisciplinary crisis management task force is activated whenever the public health situation so requires;
- business continuity in relation to Covid is covered by standard BCPs⁽²⁶⁾ drawn up by the HPS department and sent out to local entities for adaptation and implementation. Each entity has full responsibility for updating and implementing its own BCP;
- a digital app is available to monitor confirmed close contacts, hospitalizations and deaths.

Best practice is also monitored and shared through regular conference calls with 52 international companies and groups.

(25) *Personnel On Board/Personnel On Site.*

(26) *Business continuity plans.*

7. Building a responsible supply chain rooted in sustainable performance

Colas' total purchases equate to over half the company's revenue and thus constitute a key lever for involving outside resources (suppliers, subcontractors, products and services) in the company's CSR approach. Colas' responsible purchasing policy aims in particular to address the constraints involved in working with a very large number of suppliers (over 100,000 direct suppliers), the risks associated with differing types of expenses depending on the region, and Colas' ability to exert influence on its key suppliers.

Colas' responsible purchasing commitment - to "build a responsible supply chain rooted in sustainable performance" - is broken down into four areas:

- training and empowering the entire purchasing function in corporate social responsibility;
- working with business lines to build a socially responsible purchasing action plan particularly by implementing the Group's low carbon strategy;
- making sure suppliers are committed to delivering on CSR, in particular by drawing on the Purchasing CSR risk mapping;
- ensuring that Colas honors its CSR commitments toward its suppliers.

The Purchasing department is piloting the rollout of the Responsible Purchasing roadmap. This is organized into various units (equipment, excluding production, energy and raw materials, purchasing performance and compliance process) including a CSR performance unit, which coordinates the four areas of the roadmap rolled out to local areas with the support of Purchasing Directors in Colas' various regions. The responsible purchasing roadmap was presented to the Purchasing, France, Europe and World committees in 2021 and will be formally integrated into Colas' purchasing policy in 2022.

7.1. Training and empowering buyers

The goal is to make our buyers stakeholders both in the sustainable purchasing process and in specific purchases of sustainable goods and services. With this in mind, raising awareness and training buyers in the responsible purchasing process, CSR-compliant goods and services and the company's CSR duties, starting with the duty of vigilance, are essential pillars.

All buyers complete the "Applied business ethics and compliance" training course delivered by Group Legal & Compliance and sign the personal commitment included in the overall Ethics and Compliance approach replacing the purchasing code of conduct.

In 2021, a specific corporate social responsibility e-learning module was created to explain, in particular, the duty of vigilance, associated CSR risks (safety, environment and human rights) and supplier CSR assessment methods. This training, specific to buyers, is to be rolled out worldwide by the Purchasing department in 2022.

7.2. Working with business lines to build a socially responsible purchasing action plan

The Colas Group's overall performance is intrinsically linked to that of its partners, suppliers and subcontractors. If the Group is to offer the most effective and responsible solutions, it is essential that it select products and services that are technologically, environmentally and socially innovative. Implementing a socially responsible approach to purchasing is one of the prerequisites for encouraging a spirit of partnership and developing shared value creation for customers.

Key themes (energy, vehicles and machinery, industrial equipment, finished or semi-finished products, raw materials) have been identified based on their strategic and CSR impact for the Group; these cover not only low carbon purchasing but also the circular economy, the social economy, and other corporate, social and environmental aspects.

The goal is to identify synergies and work with the business lines to put in place action plans to ensure that CSR criteria and requirements are built into specifications, bids and contractual clauses so as to offer sustainable alternatives. Suppliers are specifically asked to highlight the CSR aspects of their bids in relation to equipment and purchases of raw materials (e.g., hydraulic binders for use in road construction, cements, slag, etc.).

A number of actions were carried out in 2021, notably in relation to electricity, fuel and vehicles:

- green electricity was purchased (all electricity purchased in France was covered by guarantees of origin);

- with the installation of electric vehicle charging points in France, green vehicles were incorporated into the vehicle fleet;
- a biofuel, Oleo100, was launched to replace diesel fuel for heavy vehicles (rolled out to four sites in 2021, with a target of converting 70% of the heavy vehicle fleet by 2023);
- new criteria were added to global bids for capex (e.g., excavators and loaders) covering CO₂ savings. This is backed up by training in environmentally friendly driving, with telematics used to verify the assumed savings.

Colas is keen to ensure that the vast majority of its purchases are local: local drivers for transport, aggregates, leased vehicles with drivers, site subcontracting, equipment maintenance, etc.

Sustainable economics, including facilitating access to employment, is also part of Colas' responsible purchasing commitment, in particular through the inclusion of employment clauses in public procurement contracts in France and the United Kingdom. For example, an employment agreement between Colas' rail subsidiary and a temporary employment agency facilitating access to jobs remained in force in 2021.

Colas continues to work to embed this dimension into its responsible purchasing policy. In France, a bidding process began in 2021 for printing projects, with heavily weighted criteria on work with ESATs (organizations that work with people with disabilities), and partnership agreements were 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.

7.3. Making sure suppliers and subcontractors are committed to and delivering on CSR

To assess and monitor the social and environmental performance of its suppliers and subcontractors over the long term, Colas has drawn up a mapping of CSR risks by purchasing category and CSR region. This mapping will be incorporated into the overhauled mapping of risks in relation to the duty of vigilance in 2022. This central tool will be rolled out on a country-by-country basis and translated into specific action plans.

To make sure suppliers are committed to and delivering on CSR, Colas draws on a range of tools and initiatives such as its CSR charter for suppliers and subcontractors, specific contractual clauses, CSR assessment questionnaires and external audits. For example, suppliers invited to submit bids in relation to capital equipment must complete a questionnaire in which they are specifically asked to highlight the CSR-related aspects of their proposals.

Furthermore, a supplier management system was installed in 2021 that will make it possible to take into account CSR criteria when assessing and selecting suppliers.

7.4. Ensuring that Colas honors its CSR commitments toward its suppliers and subcontractors

By the same token, through its commitment to socially responsible purchasing, Colas also makes commitments to its suppliers and subcontractors: to guarantee equal treatment; to honor payment terms so as not to put suppliers in difficulty; and to ensure that suppliers are not made vulnerable through financial dependence.

Work continued in 2021 to digitize the process of committing expenditure and switch to paperless billing and payments with the aim of streamlining the process and shortening processing times and payment terms (formal order acceptance, receipt of goods, paperless billing and payment by bank transfer to significantly shorten payment terms).

8. Consolidating an exemplary culture of ethics and compliance

For the Colas Group, compliance is an essential value. This includes both business ethics (corruption, anti-competitive practices, embargos, etc.) and managerial ethics.

Accordingly, Colas is constantly reinforcing the resources dedicated to developing and promoting an ethics and compliance culture with employees and with its partners as well, focusing on three key areas:

- identifying risks of corruption and human rights violations and putting in place associated action plans;
- communicating and implementing rules of ethical conduct;
- implementing ethics and compliance processes (by taking action to prevent, detect, flag up, monitor and penalize ethical violations and breaches of compliance rules).

Colas appointed a Group General Counsel and Chief Compliance Officer in 2018 and set up a four-person Compliance unit that forms part of the Group Legal and Compliance Department. At the local level, General Counsels and Chief Compliance Officers are tasked with rolling out compliance processes and training across their scope of responsibility. The Colas Group Compliance Procedures underline the key role played by support departments and each management division in this area.

8.1. Identifying risks of corruption and human rights violations and implementing appropriate action plans

CORRUPTION RISK MAPPING

Colas asked its subsidiaries to map their risk of corruption by business line and by country using its ColasMap software. In all, 68 risk maps were produced. After mapping corruption risks, an action plan is drawn up and adapted to each entity.

In April 2021, a working group revised the assessment scenarios so as to conduct a detailed analysis of processes and take into account comments made by the French Anticorruption Agency during its inspection. Business lines began revising their risk mappings based on these new scenarios in September 2021.

HUMAN RIGHTS

The UN Global Compact, signed in 2006, includes the right to freedom of association and collective bargaining as well as a commitment to eliminate discrimination, forced labor and child labor. The Bouygues Group (including Colas) confirms its continued commitment to this approach every year.

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. Colas is committed to complying with the fundamental conventions of the International Labour Organization (ILO) and human rights in all countries in which it operates, as well as with specific legislation in various countries such as the Fair Labor Standards Act (FLSC), the Occupational Safety and Health Act (OSHA), the Family Medical Leave Act (FMLA) and child labor laws in the United States and the Canadian Labour Code and Employment Standards Act. To ensure compliance with these fundamental principles, Colas includes CSR risks relating to the duty of vigilance in its procurement policy.

For example, in the United Kingdom, anti-slavery legislation requires companies to publish an annual modern slavery statement highlighting steps taken to combat human trafficking. In accordance with this legislation, in 2021 Colas Limited developed a policy to cement its commitment to ensuring the personal safety of its people both on construction sites and in offices, particularly those who may be vulnerable. This policy also sets out an action plan to ensure that any problems are flagged up and appropriate action taken. The UK subsidiary of Colas Rail has committed to operate in a business environment free of slavery and human trafficking.

The 2021 vigilance plan identified the following major risks and associated action plans:

- discriminatory practices (based on ethnicity, gender, religion, geographical origin, etc.);
- failure to comply with domestic and international labor regulations covering local and/or migrant workers;
- unsuitable working environment and/or accommodation (work equipment; health and safety conditions at construction camps and sites).

The mapping of corruption risks is in the process of being adapted to cover risks relating to human rights violations. The vigilance plan will be reviewed as and when human rights risks are updated.

ASSESSMENT OF THIRD PARTIES

Depending on the characteristics of the proposed relationship or transaction, four levels of investigation are used in assessing third parties, under the supervision of Group Legal & Compliance. Colas uses specific research software (Compliance Catalyst) to carry out Level 3 investigations (screening of worldwide databases). Framework agreements with external service providers to conduct Level 4 investigations were put in place during 2020. As of end 2021, 5,327 surveys had been completed (with an increase in the number of surveys undertaken by international subsidiaries).

8.2. Implementing rules of ethical conduct

Implementing rules of ethical conduct involves raising awareness of the Group's compliance procedures and delivering communications and training.

AWARENESS OF COMPLIANCE PROCEDURES

A compendium of Colas Group compliance procedures was issued in April 2019 bringing together all internal processes rolled out pursuant to the Code of Ethics. Compliance programs, general principles of internal control and associated tools and documentation were rolled out via training and communications campaigns at all levels of the Group.

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%). The update takes into account governance changes within the Group, the introduction of digital tools including the E-Comply system developed by Colas, changes in policy (notably in relation to gifts and invitations) and feedback from the first year of use.

In addition, the Group's subsidiaries governed by French law 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.

COMMUNICATION

A compliance intranet site was set up on the ColasShare platform in 2020 as a single platform holding all the relevant materials (ethics documentation, training materials, whistleblowing procedure, etc.).

In April 2021, the Human Resources and Legal and Compliance departments issued joint communications to clarify the scope of the whistleblowing helpline.

In November 2021, a communications campaign was launched using posters to be displayed in all business units and via employees' screen savers. This campaign in the run-up to the year-end specifically targeted procedures in relation to gifts and invitations.

TRAINING

The Applied Business Ethics module, which provides employees with a grounding in the essential principles of compliance documentation and all procedures found in the compendium of Compliance Procedures, was updated in 2021 and issued to Chief Legal Officers, who are responsible for coordinating this training across their local areas. This training is incorporated into all "UNI" sessions (central training programs). A total of 4,377 employees were trained in 2021.

Rollout of the Fair Play serious game, available in nine languages via the learning management system, continued in 2021: this e-learning module is designed to help employees explore issues relating to ethical best practice. A total of 2,397 employees completed this training in 2021 (bringing the total since 2017 to 6,501). Lastly, German, Croatian, Spanish, Flemish, Polish, Romanian and Czech versions of the training are now available on the learning management system.

In 2021, Colas France also held "legal tours" covering ethical issues, hosted by the President and the Chief Legal Officer of Colas France, which brought together 582 managers. Colas Rail had 879 managers take a digital quiz on the subject of compliance programs and applicable procedures.

8.3. Applying ethics and compliance procedures

Applying ethics and compliance procedures requires commitment from executives and the implementation of monitoring and assessment mechanisms.

EXECUTIVE COMMITMENT

Since 2017, executive commitment has been reflected in the requirement for each executive to sign an ostensible commitment, renewable every two years. A campaign to renew these commitments was undertaken in 2021 covering all managers (from head of department upwards), company officers and all Purchasing staff. The campaign saw 4,893 commitments signed across all Colas subsidiaries.

In addition, to promote best practice – even externally, the leading managers from Legal & Compliance Departments can be asked to speak in front of external bodies and committees dedicated to fighting corruption and anti-competitive practices (Business & Legal Forum, FNTP, etc.)

INTERNAL MONITORING AND ASSESSMENT OF MEASURES IMPLEMENTED

In September 2020, Colas rolled out the E-comply system, which is used to digitize compliance procedures and monitor their proper implementation in real time. Process improvements were made in 2021 in response to operational requirements. In June 2021, senior executives from each geographical region presented key indicators to Colas executive management highlighting compliance actions delivered (nature and purpose of patronage and sponsorship activities, number of employees trained, number of commitments signed, etc.).

8.4. Security of personal data

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

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 Group Legal & Compliance Department.

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 (the ColasShare platform), which is available to all employees in both French and English.

Colas continued to implement its compliance plan in 2021. In particular, its Data Protection Officer (DPO) took on management of the network of 37 correspondents.

Given the complexity arising from the fact that the Group operates in so many countries, Colas also called on an outside firm to help speed up this rollout, with the aim, in particular, of bolstering the implementation of local mechanisms to incorporate Group procedures.

Furthermore, to fulfil the requirement of raising awareness among all employees, in November 2021 Colas incorporated a GDPR module into its mandatory training. This 20-minute e-learning module has been translated into all 18 of Colas' working languages. Initial completion rates are encouraging.

Note on methodology

EMPLOYEE INDICATORS

Employee 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 2021, the calculation rules for employee indicators were the following:

- fully-consolidated companies are 100% consolidated;
- proportionately consolidated companies are 100% consolidated if the percentage owned is above 50%, while the remainder are excluded from the scope;
- equity-accounted associates are excluded.

Employee reporting at Colas is common to all entities worldwide. Indicators are consolidated according to the definitions found in the Bouygues Group's employee reporting protocol.

Indicators	Scope	Unit	2019	2020	2021
ATTRACTING, DEVELOPING AND RETAINING EMPLOYEES THROUGH MANAGERIAL EXCELLENCE					
Workforce					
Workforce by geographic location	World	Number	57,037	54,651	55,411
<i>Total France (Mainland + Overseas)</i>		Number	30,981	29,835	29,105
<i>Europe</i>		Number	10,055	9,912	9,729
<i>Indian Ocean/Africa/Middle East</i>		Number	6,840	6,140	7,318
<i>North America</i>		Number	7,734	7,266	7,932
<i>Asia/Pacific (including New Caledonia)</i>		Number	907	822	769
<i>Central America/South America</i>		Number	520	676	558
<i>Total International</i>		Number	26,056	24,816	26,306
New hires					
External hires by status	World	Number	22,457	17,881	20,347
<i>Total France</i>	France	Number	3,847	2,679	3,598
<i>Managers</i>	France	Number	580	447	649
<i>Office staff, technicians and supervisors</i>	France	Number	985	650	998
<i>Workers</i>	France	Number	2,282	1,582	1,951
<i>Total International</i>	International*	Number	18,610	15,202	16,749
<i>Managers</i>	International*	Number	3,530	2,536	3,165
<i>Workers</i>	International*	Number	15,080	12,666	13,584
Number of leavers by reason	World	Number	19,679	19,964	18,769
<i>Number of leavers in France (under permanent contracts only)</i>	France	Number	2,969	2,909	3,376
<i>Redundancies (all reasons)</i>	France	Number	1,259	1,203	1,210
<i>Mutually agreed terminations</i>	France	Number	306	412	625
<i>Resignations</i>	France	Number	839	751	980
<i>Other (retirement, death, termination or end of trial period)</i>	France	Number	565	543	561
<i>Number of leavers outside France</i>	International*	Number	16,044	16,289	14,587
Gender balance					
Workforce by gender			-	-	-
<i>Women (%)</i>	World	%	10.8	11.3	11.4
<i>Men (%)</i>	World	%	89.2	88.7	88.6
Representation of women in the Group			-	-	-
<i>Female office staff, technicians and supervisors (%)</i>	World	%	21.4	22.1	22.3
<i>Female workers (%)</i>	World	%	2.8	2.9	2.5
<i>Female managers (%)</i>	World	%	10.4	9.6	11.1
Percentage of women within executive bodies****	World	%	-	-	15.4

Indicators	Scope	Unit	2019	2020	2021
Disability					
Number of employees with disabilities	France**	Number	874	865	771
Number of employees with disabilities recruited	France**	Number	17	14	6
Revenue from companies that employ people with disabilities	France**	€	1,801,102	1,224,644	1,223,751.0
Training					
Existence of a formal training plan***	World	Number	99	99	99.6
Number of employees trained***	World	Number	37,608	37,937	36,722
Number of people under apprenticeship contracts taken on during the year	France	Number	566	477	604
Number of people under vocational training contracts taken on during the year	France	Number	261	142	110
FOSTERING A STRONGER HEALTH AND SAFETY CULTURE TO PROTECT LIVES					
Safety					
Frequency rate of employee workplace accidents	World	%	6.19	6.12	5.04
Severity rate of employee workplace accidents	World	%	0.38	0.44	0.40
Number of fatal employee accidents	World	Number	3	5	1
Health					
Number of employees recognized as suffering from an occupational illness during the year	World	Number	120	73	113
Number of consecutive lost-time days following workplace accidents	World	Number	42,086	47,232	43,458
Absence rate	World	%	4.85	5.99	6.13
Number of hours worked	World	Number	110,173,788	106,272,726	108,038,151

* Including New Caledonia.

** Mainland + Overseas.

*** 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.

**** Members of the Strategy Committee and the Executive Management Committee counted as of December 31; new indicator for 2021.

ENVIRONMENTAL AND SOCIAL INDICATORS

Environmental and social indicators are collected worldwide and calculated over a non-calendar year from October 1 of the previous year to September 30 of the current year.

The scope includes all companies and joint ventures of all types, even where Colas only has a minority interest (with the exception of Tipco, listed on the Bangkok Stock Exchange). It also included materials production companies with revenue under €2 million not included in the consolidated financial statements. Data from some joint ventures (in which Colas is a minority partner) could not be incorporated into the Group's non-financial reporting. This did not materially affect the published indicators.

Consolidation rules are set out in the table below.

	Financial consolidation	Non-financial consolidation	≠
Exclusive control = full consolidation	100% (between 50% and 100% control)	100% (between 50% and 100% control)	=
Joint control = proportionately consolidated (for economic interest groups in France, partnerships and joint ventures)	Application of percentage of control	Application of percentage of control	=
Significant influence or joint venture = equity method (for partnerships and joint ventures)	Application of percentage of ownership (application of percentage of ownership to net income rather than revenue)	Application of percentage of ownership (application of percentage of ownership to all data)	≠

Indicators	Scope	Unit	2019	2020	2021
OFFERING CUSTOMERS AND USERS SOLUTIONS THAT MEET THE CHALLENGES OF SUSTAINABLE DEVELOPMENT					
Environmentally friendly alternatives					
Number of suggestions made using an eco-comparison tool	France	Number	121	92	198
Greenhouse gas emissions avoided thanks to environmentally friendly alternatives selected	France	tCO ₂ e	3,105	1,279	4,555
ROLLING OUT A LOW CARBON AND BIODIVERSITY STRATEGY TO PRESERVE THE PLANET					
Recycling					
Surface area of road recycled in place	World	Mm ²	7.4	9.8	8.3
Surface area of road recycled in place using emulsion***	World	Mm ²			6.2
Alternative freight					
Number of metric tons of materials transported by rail and/or waterway	World	Mt	10.5	7.9	8.4
Average number of kilometers traveled by rail	World	km	309	319	296
Average number of kilometers traveled by waterways	World	km	513	408	483
Onboard telematics					
Percentage of vehicles with onboard telematics	World	%	23	27	30
Percentage of machinery with onboard telematics	World	%	28	33	34
Bio-based products					
Purchases of bio-based binders***	World	t			2
Purchases of bio-based fluxing agents***	World	t			1,512
Energy and emissions: asphalt plants					
Burner energy consumption per metric ton of mix produced	World	kWh/t	79	81	80
Greenhouse gas emissions per metric ton of mix produced	World	kCO ₂ e/t	19	19	19
Carbon footprint/GHG emissions					
Carbon footprint	World	MtCO ₂ e	13.1	12.0	12.5
GHG balance - Scope 1	World	MtCO ₂ e	1.8	1.7	1.8
GHG balance - Scope 2	World	MtCO ₂ e	0.1	0.1	0.2
GHG balance - Scope 3a	World	MtCO ₂ e	11.2	10.2	10.6
Emissions avoided					
Greenhouse gas emissions avoided by Colas' actions	World	tCO ₂ e/yr.	483,000	417,000	415,000
Biodiversity					
Percentage (on a CAE* basis) of aggregate production activities taking action to promote biodiversity	World	%	52	44	56
REDUCING THE IMPACT OF OUR ACTIVITIES TO BOLSTER ACCEPTABILITY					
Environmental impacts/environmental checklists					
Percentage (on a CAE* basis) of materials activities managing their environmental impacts	World	%	89	83	88
Percentage (on a CAE* basis) of materials production activities with environmental certification	World	%	65	61	63
Percentage of materials production activities that carry out environmental self-assessments using Colas checklists	World	%	71**	72	76
Local dialogue					
Percentage (on a CAE* basis) of materials activities with an organization for local dialogue	World	%	44	43	48

Indicators	Scope	Unit	2019	2020	2021
Water stress					
Percentage of stationary activities (in terms of CAE*) located in areas facing extremely high water stress	World	%	5	6	7
Water self-sufficiency rate of areas facing extremely high water stress	World	%	77	40	79
Percentage of CAE* generated by activities in areas subject to extremely high water stress covered by an action plan	World	%	60	47	53
Fume and dust extraction					
Percentage of finishers equipped with a bitumen fume extraction system	World	%	64	66	71
Percentage of asphalt planers equipped with a dust extraction system	World	%	56	61	59
PROMOTING CIRCULAR ECONOMY SOLUTIONS TO PRESERVE NATURAL RESOURCES					
Recycling					
Percentage of reclaimed asphalt pavement used in asphalt mix	World	%	16	16	16
Materials recycled by screening and/or crushing and/or other treatment	World	Mt	9.2	7.8	8.5

* CAE: revenue + intra-Group transactions and disposals.

** The rate of checklist-based environmental self-assessment in 2019 has been corrected relative to published 2019 and 2020 figures, which were found during the preparation of this document to contain an input error.

*** Indicator not collected in 2019 or 2020.



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