RESPONSIBLE DEVELOPMENT

INTRODUCTION

Colas’ approach to responsible development (see www.colas.com) is based on the dual conviction that its businesses help fulfill needs and aspirations, and that they must be conducted in a responsible manner. Colas has to take into account the expectations and contradictions of contemporary society: social cohesion, climate change, transportation and housing needs, improving living conditions, etc.

As the cornerstone of this approach, the policy implemented and deployed across the Group is guided by three strategic targets and five major targets.

The three strategic priorities are crucial for the development and long-term success of Colas’ activities, each of which enjoys its own scope of action: the renewal and enrichment of human capital, community acceptance of production sites, and ethics. With respect to its human resources, the Group’s key areas for priority action are attraction of talent, diversity (professional integration, disabilities, gender balance, older workers), employee retention and training. The action plans implemented to ensure community acceptance of production sites have two principal objectives: ensuring that production sites carry out their operations in an exemplary manner (environmental certification, in particular under ISO 14001, checklists used for risk prevention) and maintaining open lines of communication with local stakeholders including residents, elected officials and local government. In addition, Colas makes no compromises when it comes to ethics, which are an intangible Group principle and an integral part of internal control procedures.

Colas’ scope for action may be more limited in relation to its five major targets, even though some may be considered every bit as important. These major targets are safety, corporate citizenship in developing countries, energy and greenhouse gases, recycling, and chemical hazards.

For each of these targets, a policy of continuous progress has been established and is coordinated at each level of the organization. Global performance indicators and goals have been specified in most cases. This approach seeks to foster a deep and lasting culture of continuous improvement in the field, throughout the network of 1,700 materials production sites and work centers referenced in the non-financial reporting software.

This motivation is also reflected in the wide variety of outreach actions the Group’s subsidiaries and local operating units undertake in their own communities. The vision of Colas’ business activities is thus enriched and transformed by the collective appropriation of CSR(1).

As far as the dialogue with non-contractual stakeholders is concerned, Colas maintains a strong local presence through a variety of exchanges with neighboring residents, local governments, schools, the social sector, etc. Few issues justify a global and international approach. To date, the sole relevant issue at the Group level involves bitumen fumes, and Colas plays a major role in communicating with customers, scientists, employees, government labor departments and workplace health bodies(2). To encourage broader thinking on this issue, Colas takes part in strategy committees and commissions organized by various bodies bringing together a range of stakeholders, such as CORE at the INERIS(3) and COS at the FRB(4). The Group is also working to give ever more meaning to its corporate philanthropy actions.

Following the global roll-out in 2010 of a new reporting tool designed to harmonize all indicators used by Colas’ 775 legal entities, a number of structural changes in the software and improvements in the use of this tool and the reliability of the data obtained were made in 2013 so as to define and monitor all indicators as accurately as possible(5). In accordance with decree no. 2012-557 of April 24, 2012 relating to the transparency obligations of companies in social and environmental fields (implementing article 225 of law no. 2010-788 of July 12, 2010), the non-financial indicators for 2013 and the procedures used to collect these data were verified and certified by Ernst & Young on February 24, 2014.

CSR REPORTING(6)

Pursuant to French decree no. 2012-557 of April 24, 2012, on corporate social and environmental reporting requirements (article 225 of law no. 2010-788 of July 12, 2010), Colas reports its relevant employee, social and environmental information in its 2013 management report. Three types of information are provided in this document, each of which is identified as either an “indicator” with a “comment”, “other substantiating items” (when no indicator is provided) or “qualitative information” (when the subject dealt with requires an explanation).

1. Corporate Social Responsibility.
2. See section on “Operational risks” (p.39).
3. Commission d’orientation de la recherche et de l’expertise (“Research and expert evaluation steering committee”) at the Institut national de l’Environnement industriel et des Risques (the French national institute whose mission is to assess and prevent accidental and chronic risks to people and the environment originating from industrial activities, chemical substances and underground works).
4. Comité d’orientation stratégique (“Strategy steering committee”) at Fondation pour la recherche sur la Biodiversité, the French foundation for biodiversity research.
I – Employee information

Employee indicators are calculated on the basis of a classic calendar year from January 1 to December 31. For 2013, information was collected between December 31, 2013 and January 8, 2014 (December 20, 2013 for two indicators consolidated under the World scope: Existence of a training plan, and Existence of a staff representative body).

The scope of companies considered in the calculation of employee indicators is a subgroup of the financial scope of consolidation: equity-accounted associates are excluded from this subgroup.

For 2013, 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%; the rest are excluded from the scope;
• equity-accounted associates are not consolidated. When they were recalculated, data for 2012 were processed according to the rules described above.

Colas makes the scope of its employee reporting as wide as possible in order to faithfully reflect the activities of its companies in France and around the world.

The indicators that correspond to standards shared by all the other countries in which Colas operates are consolidated under the World scope.

This involves the following indicators:
• with regard to employment: Workforce, Breakdown of Men/Women, Recruitment;
• with regard to health and safety: Frequency rate and Severity rate of workplace accidents;
• with regard to labor relations and promoting compliance with the International Labor Organization’s fundamental principles: Existence of an elected or designated staff representative body, recognized as an interface for dialogue between management and local staff;
• with regard to training: Existence of a document that lists planned training initiatives and monitors their completion over the current calendar year.

In 2014, when it publishes its 2013 information, Colas will expand the last two indicators, publishing them under the World scope for the first time.

The following indicators are consolidated under the France scope because they correspond to definitions specific to France that come from the French Labor Code. Conversely, in all the other countries where Colas operates, reporting is linked to the country’s management and governance mechanisms, which are themselves the products of local legislation. For example, in the United States there are no legal obligations regarding the hiring of disabled employees, as there are in France. Given these legislative differences, the reporting scope for the following indicators is currently limited to France:
• with regard to employment: Number of dismissals, Average annual wages by status, Workforce by age bracket;
• with regard to organization of work: Work time regimes, Absence rate;
• with regard to labor relations: Participation in employee elections, Number of collective bargaining agreements negotiated;
• with regard to health and safety: Number of employees recognized as suffering from an occupational illness;
• with regard to training: Number of apprenticeship contracts, Number of vocational training contracts, Portion of payroll earmarked for training, Average training days per employee per year;
• with regard to equal treatment: Number of employees with disabilities, Number of employees with disabilities recruited, Revenue with companies that employ the disabled (ESAT or Entreprises adaptées).

Regarding employee information that is today limited to the France scope, Colas is committed to extending the publication of this information to the World scope, and to defining a consolidated reporting system adapted to the different countries in which Colas operates over the years to come, with the first extension due to appear in the upcoming 2014 report, to be published in 2015.

HR indicators are consolidated by Colas corporate head office:
• according to the definitions found in the Bouygues Group’s social reporting protocol;
• according to the Colas Group social reporting procedure;
• using information systems (HRA/BO, Reporter, Acciline, Popei, Election Bouygues software, HRA training assessments) and information from Excel files for information not present within an information system shared by all Colas entities in France and in the Rest of the World, as defined in the Company’s process.

A. EMPLOYMENT

A.1. TOTAL WORKFORCE AND BREAKDOWN OF EMPLOYEES BY SEX, AGE, AND GEOGRAPHICAL LOCATION

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Scope</th>
<th>2013</th>
<th>2012(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce by geographical location</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>36,862</td>
<td>37,432</td>
<td></td>
</tr>
<tr>
<td>International, including:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>24,004</td>
<td>23,704</td>
<td></td>
</tr>
<tr>
<td>Indian Ocean/Africa/Middle East</td>
<td>9,361</td>
<td>9,067</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>7,588</td>
<td>8,102</td>
<td></td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>4,882</td>
<td>5,290</td>
<td></td>
</tr>
<tr>
<td>Central America/South America</td>
<td>1,654</td>
<td>1,305</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>60,866</td>
<td>61,167</td>
<td></td>
</tr>
</tbody>
</table>

(1) The 2012 data have been restated to enable comparison between 2012 and 2013. The scope of the workforce calculation rules was defined in 2013 according to the consolidation rules specified in the general introduction to section I “Employee information.” The workforces of equity-accounted associates, as well as those of proportionally consolidated companies, as long as the percentage of ownership does not exceed 50%, are now excluded from the scope.
Comment
Colas’ global workforce as of December 31, 2013 was practically equivalent (~0.5%) to that of December 31, 2012, consistent with business activity.

In France, the workforce:
• decreased by 2.6% in Mainland France, where road work varied across regions and between major urban centers and rural areas;
• increased by 3.8% in France’s Overseas Departments, which experienced a slight recovery;
• remained steady in Specialized Activities, with the exception of the Railways business, which grew.

The workforce is comprised of 58% workers; 26% office staff, technicians and supervisors; and 16% managers. Furthermore, the number of temporary staff remained stable. Outside of France, the workforce has grown slightly (+1.3%), but with variations that reflect the change in business in each region:
• slight increase in Europe, related to the launch of new construction projects (+3.2%);
• decrease in Indian Ocean/Africa/Middle East (~6%), notably due to market contraction and the end of major road construction projects in Morocco, Benin and Mauritius;
• decrease in North America (~8%), particularly due to the market downturn;
• growth in Asia/Pacific (+27%), linked to business development in Australia and a major rail construction project in Malaysia;
• the workforce in South America concerns the waterproofing business in Chile and a rail construction project in Venezuela.

Indicator

<table>
<thead>
<tr>
<th>Scope: France(1)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Workforce by age bracket</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 25 years old</td>
<td>6.2%</td>
<td>6.6%</td>
</tr>
<tr>
<td>25-34 years old</td>
<td>23.9%</td>
<td>23.9%</td>
</tr>
<tr>
<td>35-44 years old</td>
<td>26.6%</td>
<td>27.3%</td>
</tr>
<tr>
<td>45-54 ans</td>
<td>29.6%</td>
<td>29.1%</td>
</tr>
<tr>
<td>55 years old and older</td>
<td>13.7%</td>
<td>13.1%</td>
</tr>
</tbody>
</table>

(1) Fixed-term and permanent contracts.

Comment
The proportion of female employees remained stable compared to 2012, increasing slightly in France to 8.5%, and remaining steady outside France (10.9%). In France, the proportion of female managers (14.1%) was up.

Indicator

<table>
<thead>
<tr>
<th>Scope: France</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of women in workforce</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France(1)</td>
<td>8.5%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Managers</td>
<td>14.1%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Office staff, technicians and supervisors</td>
<td>23.1%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Workers</td>
<td>0.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>France(2): Female team leaders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.8%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td><strong>International</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.9%</td>
<td>10.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.9%</td>
<td>22.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Workers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3%</td>
<td>6.5%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Fixed-term and permanent contracts.
(2) In 2013, the “Female team leader” workforce was defined based on employment code criteria.

Comment
The distribution of ages is relatively even. The breakdown between age brackets has changed little.

A.2: HIRING AND DISMISSALS

Indicator

<table>
<thead>
<tr>
<th>Scope: World</th>
<th>2013</th>
<th>2012(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External recruiting by status(2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>2,310</td>
<td>2,748</td>
</tr>
<tr>
<td>Managers</td>
<td>291</td>
<td>502</td>
</tr>
<tr>
<td>Office staff, technicians and supervisors</td>
<td>289</td>
<td>493</td>
</tr>
<tr>
<td>Workers</td>
<td>1,730</td>
<td>1,753</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>1,742</td>
<td>1,572</td>
</tr>
<tr>
<td>Workers</td>
<td>9,141</td>
<td>8,805</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>13,195</td>
<td>13,125</td>
</tr>
</tbody>
</table>

(1) The 2012 data have been restated to enable comparison between 2012 and 2013, following changes to the calculation rules in 2013 (protocol and procedure referenced in the general introduction to section I “Employee information”).
(2) In France, only permanent contracts are recognized. In the Rest of the World, the total number of employees hired over the year is recognized, regardless of the nature of the employment relationship (without any distinction between the arrival of a permanent employee and that of a seasonal employee).

Indicator

<table>
<thead>
<tr>
<th>Scope: France</th>
<th>2013</th>
<th>2012(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of dismissals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,445</td>
<td>1,057</td>
<td></td>
</tr>
</tbody>
</table>

(1) The 2012 data have been restated to enable comparison between 2012 and 2013, following changes to the calculation rules in 2013 (protocol and procedure referenced in the general introduction to section I “Employee information”): all dismissals are recognized, regardless of the grounds for dismissal, including those resulting from the end of work on a site (only permanent contracts).

Comment
Recruitment remained robust.

In France, recruiting volume was down 16% compared to 2012. The aim was to control workforce volume while continuing to renew know-how and managers. Worker recruitment remained at a high level. Recruiting young graduates remained central to the Group’s strategy, based on its proactive internship policy (1,544 interns in 2013). Colas continued its recruitment campaign across the Web and social networks, buoyed by flagship events like the “THE Stagiaire” video contest and the Angry Roads engineering school face-off. Colas also posts a large number of internship offers and job listings on the main social networks (Facebook, Twitter,
LinkedIn and Viadeo). New partnerships with schools were signed in 2013.

Thanks to these initiatives in particular, in 2013 Colas made the most rapid strides of the year in the Universum “Ideal Employer” ranking for engineering students, moving up 18 places on the list, and joined the Top 10 large companies preferred by interns in the “Happy Trainees” ranking.

At the international level, hiring volume is up 4.7% compared to 2012 and remains high. A number of initiatives have been carried out to strengthen ties with schools, attract interns and raise awareness among students.

In France, the number of dismissals came to 1,445 people, of which 782 terminations were due to the end of construction projects (625 in France’s Overseas Departments) and 15 departures related to a corporate restructuring plan in Martinique. In proportion to the workforce, this number remains low, although it has increased since 2012.

A.3: COMPENSATION AND CHANGES IN COMPENSATION

Indicator

<table>
<thead>
<tr>
<th>Scope: France(1)</th>
<th>2013</th>
<th>2012(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average annual wages by status (in euros)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>60,269</td>
<td>59,686</td>
</tr>
<tr>
<td>Staff, technicians and supervisors</td>
<td>34,663</td>
<td>33,803</td>
</tr>
<tr>
<td>Workers</td>
<td>24,682</td>
<td>24,143</td>
</tr>
</tbody>
</table>

(1) Permanent contracts.
(2) The 2012 data have been restated to enable comparison between 2012 and 2013, following changes to the calculation rules in 2013 (protocol and procedure referenced in the general introduction to section I “Employee information”).

Comment

In France, average annual wages increased for all employee categories: +2.2% for workers; +2.6% for office staff, technicians and supervisors; and +1% for managers. In June 2013, Colas renewed the incentive agreement put in place with union organizations in 2010, associating employees in the Company’s results. Employees are also party to a profit-sharing agreement and a Company Savings Plan.

B. ORGANIZATION OF WORK

B.1: ORGANIZATION OF WORKING TIME

Indicator

<table>
<thead>
<tr>
<th>Scope: France(1)</th>
<th>2013(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working time arrangements of employees</td>
<td>84.4%</td>
</tr>
<tr>
<td>Fixed number of days worked</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

(1) Fixed-term and permanent contracts.
(2) No prior data available. Only the 2013 data have been published since the rules for defining working time arrangements were modified in 2013 (protocol and procedure referenced in the general introduction to section I “Employee information”).

Comment

The organization of working time preferred by Colas consists in annualization and a fixed number of days worked. Annualization, combined with the working time modulation plan applying to workers, means that work can be organized according to the seasonality of the business, while rewarding overtime. The plan based on a fixed number of days worked applies to managers. In 2013, during negotiations on standardizing the employment status of employees across the seven road construction subsidiaries in Mainland France, special focus was placed on the organization of working time.

B.2: ABSENCE

Indicator

<table>
<thead>
<tr>
<th>Absence rate</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>France(1)</td>
<td>4.11%</td>
<td>4.16%</td>
</tr>
</tbody>
</table>

(1) Permanent contracts.

Comment

This indicator is calculated based on all employees with permanent contracts. It measures the number of consecutive days off following workplace accidents, commuting accidents, illness or occupational illness, in proportion to the number of calendar days.

The absence rate (4.11%) dropped slightly compared to 2012, to a level lower than the national rate of 4.53% in the private sector (as measured by Alma Consulting Group – September 2013).

C. LABOR RELATIONS

C.1: ORGANIZATION OF LABOR-MANAGEMENT DIALOGUE, INCLUDING PROCEDURES FOR INFORMING, CONSULTING, AND NEGOTIATING WITH PERSONNEL

Indicator

<table>
<thead>
<tr>
<th>Participation in elections of the works council</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Indicator

<table>
<thead>
<tr>
<th>Existence of a staff representative body</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>57.1%</td>
</tr>
</tbody>
</table>

Comment

In Mainland France, labor-management dialogue takes place in 376 local and central works councils. The road construction subsidiaries’ social charter has not been changed since January 1, 2013, when the road work activity’s new organization was put in place. Representative bodies will be renewed in 2014. Aximum and subsidiaries in Guadeloupe and
Martinique held elections and adapted the social charter to their reorganization. The rate of participation in elections remained high (80%).

Outside of France, 57.1% of companies with more than 300 workers had an elected or designated staff representative body, recognized as an interface for dialogue between management and local staff.

**C.2: OUTCOME OF COLLECTIVE BARGAINING AGREEMENTS**

**Indicator**

<table>
<thead>
<tr>
<th>Scope: France</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of collective bargaining agreements negotiated, including mandatory yearly negotiations</td>
<td>70</td>
<td>69</td>
</tr>
</tbody>
</table>

**Comment**

On January 1, 2013, Colas implemented a new organization system for its roads business in Mainland France, allowing this activity to adapt more efficiently to market changes and boost productivity. The organization is now based on seven regional Colas subsidiaries, taking the place of the sixteen previous subsidiaries that had operated under three distinct brands (Colas, Sacer, Screg). As part of this transformation, starting in March 2013, union organizations and the management of each regional subsidiary met to negotiate an agreement standardizing the employment status of all staff concerned, to be completed by January 1, 2014. Following negotiations and consultations with the works councils and health, safety and working conditions committees, seven standardization and substitution agreements relating to staff employment status were signed.

In line with the policy it has pursued for a number of years, in May 2013, Colas adopted an action plan for “improving working conditions and preventing arduous working conditions” for 2013, 2014 and 2015.

Other collective bargaining agreements were negotiated and finalized by the subsidiaries in 2013, including six collective bargaining agreements at Carrières et Matériaux du Grand Ouest, two at Aximum, and a number of agreements in France’s Overseas Departments (Martinique, Guadeloupe, Reunion, Mayotte).

In September 2013, Colas also signed an agreement relating to the “Generation contract”.

**D. HEALTH AND SAFETY**

**D1: WORKPLACE HEALTH AND SAFETY CONDITIONS**

**Qualitative information**

*With regard to health,* targeted action is taken to fight occupational illnesses related to musculoskeletal disorders, noise, UV exposure, alcohol, drugs and psychosocial issues. For example, movement and posture training is provided to new recruits; equipment is selected to fulfill ergonomic criteria; efforts are made to reduce noise and, if this is not possible, employees are required to use earplugs.

Colas has also implemented mechanisms and actions to reduce employee exposure to bitumen fumes, silica dust and chlorinated solvents.

2013 was marked by the official publication of two important documents on bitumen fumes: a monograph by the IARC (International Agency for Research on Cancer) and an official report by the ANSES (French Agency for Food, Environmental and Occupational Health & Safety). The IARC is the world’s leading scientific reference on the subject and in its publication it stated that, despite the substantial number of studies carried out, it was unable to judge whether there is a link between cancer and exposure to bitumen and bitumen fumes in road work. The conclusions of the ANSES reflected the risk analyses carried out by the road construction industry.

Nevertheless, Colas is working to reduce exposure to bitumen fumes and has deployed a global strategy that focuses on two main areas:

- reducing bitumen temperatures at use, since reducing the temperature by 12°C divides the quantity of fumes emitted by two. An extensive Research & Development program is currently being developed;
- upgrade the fleet of finishers (machines that lay asphalt mix) to equip them with fume extraction systems.

Measures have been introduced in France and internationally to reduce exposure to silica dust:

- ensuring that operator cabs are sealed, air conditioned and air filtered;
- ensuring that site staff wear basic dust masks;
- launching a milling-planing equipment renewal program to ensure that machines are equipped with dust extraction systems.

The risk related to solvent use has been reduced in workshops, on work sites and in laboratories, both in France and internationally.
With regard to safety, comments are referenced in D.3 below.

Indicators

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE(1)</th>
<th>Scope (organizational or regional)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of warm mix produced in asphalt plants (as % of CAE)(2)</td>
<td>Asphalt mix production activity worldwide</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Percentage of finishers equipped with a bitumen fume extraction system (as % of quantity)</td>
<td>All workshops worldwide</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Percentage of asphalt planers equipped with a dust extraction system (as % of quantity)</td>
<td>All workshops worldwide</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Percentage of chlorinated solvents used in closed-circuit systems (as % of quantity)</td>
<td>All laboratories worldwide</td>
<td>52</td>
<td></td>
</tr>
</tbody>
</table>

(1) CAE (chiffre d’activité économique) = consolidated revenue plus intragroup disposals.

Comment
The Percentage of warm mix produced at asphalt plants indicator increased in 2013.
The other three indicators were put in place in 2013.

D.2. OUTCOME OF AGREEMENTS SIGNED WITH UNION ORGANIZATIONS OR LABOR REPRESENTATIVES AS REGARDS WORKPLACE HEALTH AND SAFETY

Qualitative information
In line with the policy it has pursued for many years, in May 2013 Colas adopted an action plan to “improve working conditions and prevent arduous working conditions” for 2013, 2014 and 2015.

D.3. WORKPLACE ACCIDENTS, INCLUDING FREQUENCY AND SEVERITY, AND OCCUPATIONAL ILLNESSES

Indicators

<table>
<thead>
<tr>
<th>Scope: World</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency rate(1) of employee workplace accidents</td>
<td>7.28</td>
<td>8.15</td>
</tr>
<tr>
<td>Severity rate(2)(3) of employee workplace accidents</td>
<td>0.56</td>
<td>0.59</td>
</tr>
</tbody>
</table>

(1) Number of workplace accidents resulting in leave x 1,000,000/number of hours worked.
(2) Number of days of leave x 1,000/number of hours worked.
(3) Note: this level of severity includes workplace accident days related to accidents in previous periods. It differs from the calculation method used by the Group, which does not take into account days of leave related to accidents from the preceding period, to measure the safety performance of its subsidiaries.

Indicator

<table>
<thead>
<tr>
<th>Scope: France</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees recognized as suffering from an occupational illness during the year</td>
<td>97</td>
<td>69</td>
</tr>
</tbody>
</table>

Comment
In 2013, the frequency and severity rates of workplace accidents were down compared to 2012.

This outcome reflects Colas’ proactive policy regarding safety on construction sites and on the road, which aims to establish and continuously strengthen an effective culture of risk prevention across all its entities. Three safety objectives have been set for 2015: reduce the accident frequency rate to less than five in France and Europe, and to less than three in the rest of the world; ensure first-aid training has been provided to 35% of the workforce; 300 entities in France with no lost-time work accidents.

Throughout 2013, an extensive road and work site safety campaign rallied employees from all subsidiaries in France and worldwide – the first time such a large-scale effort has been undertaken. The Chairman and CEO of Colas launched this global campaign by video in January, addressing every Group employee with an e-mail address, and again in September to recap all the initiatives taken throughout the year. As part of the Colas Group’s Global Safety Week, held in June, employees from every subsidiary took part in safety-related activities (information sequences, workshops, role-plays, hands-on exercises). A number of awareness-raising and prevention tools were deployed throughout all the subsidiaries. For example, in the United States, managers of the American subsidiaries visited work sites to take part in risk assessment meetings and discuss safety practices and procedures. In Vietnam, where the most significant risks are related to road safety, Global Safety Week focused on raising driver awareness of good driving rules. In Denmark, the Company passed on best practices to raise awareness and provide safety training to its new recruits.
For many years, subsidiary managers have drawn on a global prevention network and a wide range of prevention tools to deploy the safety policy in work sites and production sites, including training in safety, eco-driving and first aid; toolbox safety talks revisited as “starters”; accident analysis; awareness-raising initiatives; sharing of best practice; cross-subsidiary challenges and awards; and half-yearly rankings. In 2013, Colas also launched a new line of work clothes for added protection and comfort for its employees.

The Group also encourages employees to take advantage of first-aid training, which benefits all employees in both their working and private lives. This training helps to raise awareness of safety issues. At year-end 2013, employees trained in first aid constituted 31% of the total workforce (compared to 32% in 2012).

The safety of temporary staff is an integral part of Colas’ approach, which aims at continuously strengthening an effective culture of risk prevention across all its entities.

France has a low proportion of employees with a recognized occupational illness.

E. TRAINING

E./one.lin: POLICIES IMPLEMENTED AS REGARDS TRAINING AND TOTAL NUMBER OF TRAINING HOURS

Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Scope: France</th>
<th>2013(1)</th>
<th>2012(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portion of payroll earmarked for training</td>
<td>3.87%</td>
<td>3.66%</td>
<td></td>
</tr>
<tr>
<td>Average training days per employee per year</td>
<td>2.14</td>
<td>1.75</td>
<td></td>
</tr>
</tbody>
</table>

(1) Figures related to training are from the final training assessment approved at the end of the first half of fiscal year Y for the period Y-1.

Indicator

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Scope: World</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence of a document that lists planned training initiatives and monitors their completion</td>
<td>85.7%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Fixed-term and permanent contracts.

Comment

In France, Colas pursued and maintained its investment in training (3.87% of payroll, compared to 3.66% in 2012). Priority was given to mentoring, to ensure that professional skills are passed on to new recruits, especially those with work-study contracts.

Training is offered either through programs identified at the subsidiary level to address local needs, as part of Colas Campus (to provide responses and skills to a pooled group of trainees at once), or within the framework of the Colas Universities (management specific), according to the type of training needed. In 2013, Colas University 4 was launched to provide experienced managers with career development support.

Safety training made up 37.82% of training hours.

Outside of France, 85.7% of companies with more than 300 workers had a training plan.

In France, total hiring (both fixed-term and permanent contracts) was down, and the proportion of work-study contracts also decreased. Nevertheless, work-study contracts and vocational training contracts still made up 17% of the year’s new hires.

F. EQUAL TREATMENT

F./one.lin: MEASURES TO PROMOTE EQUAL OPPORTUNITY BETWEEN MALE AND FEMALE EMPLOYEES

Qualitative information

The gender equality agreements negotiated in 2012 for a duration of three years at Colas’ subsidiaries in France cover the issues of recruitment, vocational training, professional advancement, working conditions, effective compensation and the reconciliation of working life and family life. Colas has adapted its application processing system, allowing it to track the percentage of female job applicants who send applications through its recruitment site. Outside France, subsidiaries have also rallied around the issue of equality. The American subsidiary Delta, for example, supports the international organization Zonta, whose aim is to advance the legal, political and economic status of women worldwide.
F.2. MEASURES TO EMPLOY AND PROMOTE THE SOCIAL INTEGRATION OF PEOPLE WITH DISABILITIES

Indicators

<table>
<thead>
<tr>
<th>Scope: France</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees with disabilities(1)</td>
<td>1,092</td>
<td>987</td>
</tr>
<tr>
<td>Number of employees with disabilities recruited(1)</td>
<td>14</td>
<td>37</td>
</tr>
<tr>
<td>Revenue with companies that employ the disabled</td>
<td>€1,115,338</td>
<td>€1,292,000</td>
</tr>
</tbody>
</table>

(1) Fixed-term and permanent contracts.

Comment

In France, the number of employees with disabilities working at Colas rose 10% from 2012 to 2013. The number of employees with disabilities recruited was lower, however, as was revenue with companies that employ the disabled.

The following measures were taken in 2013, as part of the agreement that Colas signed with French government agency AGEFIPH (which promotes the employment of disabled people) in 2011 and that ended on August 31, 2013:
- publishing a guide on employing disabled people,
- launching a poster campaign and providing all employees in Mainland France with a brochure to raise awareness of and promote respect for employees with disabilities,
- Colas’ Nord-Picardie subsidiary tested a system that aims to make it easier to provide outplacement services to employees with disabilities who are unable to be redeployed internally.

A cross-subsidiary agreement plan is currently being negotiated with AGEFIPH.

G. PROMOTING COMPLIANCE WITH THE INTERNATIONAL LABOR ORGANIZATION’S FUNDAMENTAL PRINCIPLES OF:

G.1. FREEDOM OF ASSOCIATION AND THE RIGHT OF COLLECTIVE BARGAINING

G.2. ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT OR OCCUPATION

G.3. ELIMINATION OF FORCED OR COMPULSORY LABOR

G.4. THE EFFECTIVE ABOLITION OF CHILD LABOR

Qualitative information

Since Colas obtains over 90% of its revenue in the OECD countries, it has few operations in countries where there is a substantial threat to freedom of association or substantial risks of forced or compulsory labor, child labor or discrimination. The Group works with few sub-contractors.

Colas has made a commitment to observe the United Nations’ Universal Declaration of Human Rights and the ILO’s fundamental principles (as per article 2 of the Code of Ethics of Colas’ parent company, Bouygues). To ensure that these fundamental principles are observed, Colas:
- provides its employees with a copy of the Bouygues Group’s Code of Ethics, to which Colas adheres;
- includes social and environmental criteria in its procurement policy.

II – Environmental information

A. GENERAL ENVIRONMENTAL POLICY

The environmental policy is an integral part of Colas’ Responsible Development effort, which the Chairman and CEO has made a core Group value. A Corporate Environment Director, who is also in charge of Responsible Development, examines environmental issues and priorities with the Group’s operational departments and functional departments, such as Communications, Equipment & Innovation, Human Resources, Technical Department and R&D, etc. The Environment Department comprises six employees and a network of some thirty environmental managers in the subsidiaries, which are in turn supported in the field by several hundred correspondents and internal environment auditors, who often have responsibilities in other areas, such as quality and safety.
All environmental indicators (see list below) are strictly defined. They are collected across the world using a BFC (BusinessObjects Financial Consolidation) application and calculated over a non-calendar year from October 1 of Year Y-1 to September 30 of Year Y (to allow sufficient time for precise data collection, processing and analysis). This software, named Xfi, was overhauled for 2013 to improve indicator control mechanisms, while the structures were reworked and adapted to improve consistency with the Group’s other information systems. The rules of consolidation were also changed to more closely resemble those of the financial consolidation (see table below). Lastly, it should be noted that the organization of road work in Mainland France changed in 2013 (transition from 16 regional subsidiaries operating under three brands – Colas, Sacer, Screg – to seven subsidiaries). Due to all these modifications, it is difficult to compare 2013 to 2012.

For several years, the indicators used for production sites have also applied to sites operated in partnership with companies outside the Colas Group, and for which Colas does not always have control over environmental aspects (as, for example, is the case with sites in which Colas has a minority interest). Given the broad scope of application of these indicators, it is therefore difficult to achieve perfect performance. However, these indicators do provide a very broad view of the scope of Colas’ responsibility and risk exposure.

In addition, the scope considered in 2013 also includes small materials production companies, even when their consolidated revenue is lower than the cut-off threshold for financial consolidation (2 million euros). The total volume of materials produced by these companies can be significant, even though their revenue is often subject to a high rate of elimination (intragroup disposals), due to Colas’ vertical integration.

The following table summarizes the rules of consolidation that apply to different situations (the “Xfi rules”). It should be noted that they apply to the small materials production companies that are excluded from the financial consolidation.

<table>
<thead>
<tr>
<th>Differences between financial and non-financial consolidation</th>
<th>Financial consolidation</th>
<th>Non-financial consolidation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlling interest = full consolidation</td>
<td>Same</td>
<td>100% (between 50% and 100% control, data is 100% integrated)</td>
</tr>
<tr>
<td>Joint control = proportionate consolidation (joint control = equal portion of interest owned by each partner). This mainly involves GIE Consortiums in France and partnerships or joint ventures</td>
<td>Same</td>
<td>Application of percentage ownership</td>
</tr>
<tr>
<td>Joint ventures or significant influence = equity method</td>
<td>Difference in certain data</td>
<td>Application of percentage ownership to income rather than revenue</td>
</tr>
</tbody>
</table>

Environmental indicators:
II – A1: Percentage of materials production sites with environmental certification; Percentage of environmental self-evaluation using Colas checklists; Percentage of materials production operations that use a tool to manage environmental impact; Overall percentage of environmental certification.
II – B2: Ratio of recycled materials over total aggregates produced; Percentage of reclaimed asphalt pavement with bitumen recovery; Surface area of road recycled in situ; Waste oil recovery rate.
II – C3: Energy consumed per ton of mix produced; Percentage of warm mix produced at asphalt plants; Number of tons transported by rail or waterway.
II – D1: Greenhouse gas emissions; Greenhouse gas emissions per ton of mix produced; Global carbon intensity excluding Canada and the United States; Carbon intensity of Canada and the United States; Greenhouse gas emissions avoided by the Group’s actions.
II – E1: Percentage of quarries taking action to promote biodiversity; Ratio of CAE of quarries taking action to promote biodiversity.
### A.1: THE COMPANY’S ORGANIZATION FOR ADDRESSING ENVIRONMENTAL ISSUES AND ITS ENVIRONMENTAL CERTIFICATION AND EVALUATION ACTIONS

#### Indicators

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Scope (organizational or regional)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of materials production activities with environmental certification (as % of CAE)</td>
<td>Materials production activity worldwide</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td>Percentage of environmental self-evaluation using Colas checklists (as % of CAE)</td>
<td>Materials production activities worldwide</td>
<td>79</td>
<td>79</td>
</tr>
<tr>
<td>Percentage of materials production operations that use a tool to manage environmental impact (environmental certification and/or Colas checklists) (as % of CAE)</td>
<td>Materials production activity worldwide</td>
<td>79</td>
<td>80</td>
</tr>
<tr>
<td>Overall percentage of environmental certification (as % of CR&lt;sup&gt;(2)&lt;/sup&gt;)</td>
<td>All activities worldwide</td>
<td>44</td>
<td>50</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> CAE: consolidated revenue + intragroup disposals. This amount takes into account Colas’ upstream activity (essentially construction materials), whereas accounting for Colas’ vertical integration results in the elimination of more than 50% of revenue.

<sup>(2)</sup> CR: consolidated revenue. This scope only applies to the overall percentage of environmental certification, to allow comparison with the percentage reported last year.

#### Comment

After having risen steadily since 2010, the percentages of production sites with ISO 14001 or equivalent environmental certification declined in 2013. This decline was the result of, on the one hand, a change in the method of consolidation which weights certified and uncertified entities differently, and on the other hand, the reorganization of the roads business in Mainland France, which generated occasional postponements in renewing certificates and scope details.

The aggregate indicator combining certification and checklists remained practically constant, at a satisfactory level.

The target is to achieve a 100% certification rate and to push ahead in 2014 on the first three indicators. This objective is ambitious considering that other companies sometimes have large and even majority stakes in some Colas entities, which prevents Colas from ensuring complete oversight. (For more information on the method used to consolidate non-financial indicators, refer to the Introduction, pages 20 and 21.)

The environmental certification indicators reflect Colas’ regulatory compliance policy and the efforts made to analyze environmental risks and control these risks through action plans.

Environmental self-evaluation indicators reflect the extent to which Colas evaluates its activities using its own checklists. These checklists constitute a concrete benchmark for assessing the environmental performance of the Group’s main fixed facilities and then determining progress plan priorities. A standard checklist has been prepared for each type of fixed facility: R&D laboratories, works center depots, workshops, hot- and cold-mix plants, emulsion and binder plants, bitumen depots, quarries, gravel pits, recycling platforms, ready-mix concrete plants and prefabrication plants. This represents around 1,700 sites worldwide. The checklists are part of Colas’ internal control system.

The last indicator measures the overall certification rate for all activities, including those which are not carried out at fixed sites. It is not among Colas’ top priorities and, as a result, will no longer be published as of 2014.

#### A.2: EMPLOYEE ENVIRONMENTAL TRAINING AND INFORMATION ACTIONS

##### Other substantiating items

Colas uses no indicators to specifically monitor employee training and awareness-raising actions in the area of environmental protection.

However, environmental certification standards, and ISO 14001 in particular, require that the environmental performance of employees be assessed, that environmental training be provided for employees when necessary, including new recruits, and that contractors be provided with relevant information (pursuant to section 4.4.2 of ISO 14001).

Training and information actions may take a variety of forms, depending on the country, the subsidiary and the activity. Instead of trying to set up a single central model, Colas prefers to address this challenge with a decentralized approach and monitor training and information performance in compliance with an environmental standard that is verified by certified auditors (see the “Percentage of overall environmental certification” indicator, in section A.1).

Furthermore, work meetings and conventions on environmental themes are organized each year to raise awareness among the network of environmental correspondents in France and worldwide. Meetings at work sites and production sites make it possible to share experience and set up action plans. The Colas Group’s websites are also ongoing sources of information for all employees.
A.3: RESOURCES USED AND MEASURES TAKEN TO PREVENT ENVIRONMENTAL RISKS AND POLLUTION

Other substantiating items

Colas uses no consolidated indicators to monitor spending on the prevention of environmental hazards or pollution nor to monitor preventive actions. This spending is included in normal operating expenses. It is difficult to allocate purchases or maintenance costs: for example, replacing a bag filter at a hot-mix plant constitutes a normal expenditure for Colas, even though it is of an environmental nature since it serves to prevent dust emissions.

However, all environmentally certified sites prepare an environmental analysis and action plans which Colas examines during management reviews and uses to analyze and limit the impact of the Group’s operations and improve environmental performance.

Operating licenses for environmentally sensitive facilities that require government authorization or registration (“ICPE” facilities in France) generally require strict compliance with environmental requirements, irrespective of the country in question (OECD or otherwise). ISO 14001 certification gives Colas a good level of assurance that it will meet these requirements (see the “Percentage of overall environmental certification” indicator, in section A.1). Compliance with government requirements is also covered on Colas’ checklists. It is therefore taken into account through annual self-evaluations at sites that are not certified (see the “Percentage of self-evaluation of material production sites” indicator, in section A.1). Lastly, the annual cross-audits of subsidiaries in Belgium, Mainland France and Switzerland, which are conducted at many sites by trained internal auditors, also serve to evaluate facilities and reinforce environmental hazard prevention. Audits are carried out on an average of one hundred sites each year, representing around 15% of sites in the zone.

A.4: PROVISIONS AND GUARANTEES TO COVER ENVIRONMENTAL RISKS, UNLESS THIS INFORMATION MAY BE DETRIMENTAL TO THE COMPANY’S POSITION IN ONGOING LITIGATION

Qualitative information

Contaminated land: in line with its management guidelines, Colas makes provisions for clean-up expenses that have been estimated by an independent firm and when a date for site rehabilitation has been set (by the competent authority, for example) or is otherwise known (upon lease termination, for example).

Financial guarantees and provisions for site rehabilitation: a large number of quarries and other sites worldwide are subject to specific requirements when they are no longer operated and require provisions to cover environmental risks during operation. This entails a wide variety of guarantees and practices (e.g., performance bonds, insurance, escrow accounts, provisions, etc.) that depend on national laws. Colas’ provisions on site rehabilitation commitments totaled 153 million euros at December 31, 2013 (see the management report: “Risks” – “Industrial and environmental risks” – “Environmental risks” – “Site restoration”).

As of this date, there is nothing that indicates that these measures were insufficient, neither during internal or external audits, nor during the investigation of insurance claims.

B. POLLUTION AND WASTE MANAGEMENT

B.1: MEASURES TO PREVENT, REDUCE AND CLEAN UP DISCHARGES INTO THE ATMOSPHERE, WATER OR SOIL THAT MAY HAVE SEVERE ENVIRONMENTAL IMPACT

Other substantiating items

Colas uses no consolidated indicators to monitor its actions to prevent or reduce discharges into the atmosphere, water or soil or to clean up such discharges. However, all environmentally certified sites prepare an environmental analysis, dashboards and action plans that include the reduction of discharges into the environment when these are considered to be significant. Colas uses this information during management reviews to analyze and limit the impact of the Group’s operations and improve environmental performance. In addition to these standards-based measures, Colas’ checklists cover such aspects as administrative management, site development, waste storage, operations management and monitoring, environmental impact and risk management (water and air pollution, waste, natural and technological risks, noise and vibration) and dialogue with local communities (see the relevant indicators and comments in section A.1).

During the fiscal year, there were no accidents or incidents to report that seriously affected the environment.
B.2. WASTE PREVENTION, RECYCLING AND DISPOSAL

Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Scope</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of recycled materials over total aggregates produced (as % of quantity)</td>
<td>All activities worldwide</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Percentage of reclaimed asphalt pavement with bitumen recovery (as % of quantity)</td>
<td>Materials production activity worldwide</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Surface area of road recycled in place (in millions of m²)</td>
<td>Global road construction activity</td>
<td>5</td>
<td>10.4</td>
</tr>
<tr>
<td>Waste oil recovery rate (as % of quantity)</td>
<td>All activities worldwide</td>
<td>70</td>
<td>65</td>
</tr>
</tbody>
</table>

Comment

Since Colas is a major producer and consumer of construction materials, recycling is of fundamental importance and plays a big role in responsible development.

A recycled materials indicator was implemented to measure subsidiary efforts in converting waste into construction materials. Recycling reduces the need to extract aggregates from the Earth (and therefore the need for new quarries and gravel pits) while reducing the amount of material that needs to be disposed of. In 2013, the Colas Group recycled and recovered more than 11 million tons of materials. This represents 13% of the Group’s total production of aggregates and worldwide savings equivalent to the average production of 33 Colas quarries – the equivalent of three more quarries than in 2012. Recycled material tonnage and aggregate production both increased by 5%, which resulted in a stable ratio.

Reclaiming asphalt pavement when repairing or repaving roads makes it possible to recover bitumen, a non-renewable petroleum resource found in this type of material. Asphalt mix, which is used in most road networks throughout the world, consists of a mixture of about 5% bitumen with aggregates. Reclaimed asphalt pavement (RAP) comprises the materials recovered from the milling or deconstruction of roadways before new asphalt mix is applied. Recycling asphalt mix when repaving a road offers three advantages:

- saves energy and reduces greenhouse gas emissions;
- enables the reuse of bitumen, a non-renewable natural resource, and aggregates;
- reduces road construction costs for the customer (often public sector) at identical levels of quality and performance.

The industry consensus holds that the maximum recycling rate achievable for all asphalt mix excavated or planed off the road is between 20% and 25% in developed countries, with this rate varying in accordance with urban density and the technical habits of project owners; Colas achieves average recycling rates of three-quarters of this limit, and easily reaches the limit in zones such as Switzerland, Belgium and the United States, while this policy has progressed with more difficulty in more conservative countries. This recycling rate has continued to grow by one percentage point per year at the global consolidated level, representing a major collective effort, especially in France.

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

The surface area of road recycled in place by Colas subsidiaries appeared to decrease in 2013. However, this apparent decrease was only the result of a reporting error the previous year. This type of recycling technique depends on the nature of calls for bids. Developing these techniques therefore requires that Colas teams and especially project owners take a proactive approach.

As part of its effort to measure its waste management performance, Colas has developed an indicator for monitoring the management and disposal of the waste oils of all subsidiaries in all business lines. In most countries, waste oil is subject to special “hazardous waste” regulations. It is also the main hazardous waste that Colas produces.

This indicator is the ratio of used hydraulic and motor lubrication oil that is either disposed of by a certified channel or responsibly recovered, relative to total oils purchased. The optimum oil recycling ratio is considered to be 80% if the oil that is consumed and burned by vehicles and machinery is taken into account. In 2013, Colas achieved a ratio of 70%, slightly higher than in previous years, with this indicator growing more and more reliable over time. The management of all types of waste is monitored and assessed pursuant to ISO 14001 certification requirements and during annual self-evaluations using checklists (see environmental certification and self-evaluation indicators in section A.1).
B.3: REDUCING NOISE AND OTHER TYPES OF POLLUTION FOR A GIVEN ACTIVITY

Indicator and comment

Percentage of production sites with an organization for local dialogue:

See A.2 of the following section (“Regional, economic and social impact of the Company’s activity”).

Qualitative information

Colas is developing products that reduce traffic noise, such as fractal-technology noise barriers, and most significantly noise-reducing mixes (such as Nanosoft® and Rugosoft®) which can reduce traffic noise by up to 9 dB and were used to pave 794,500 m² of road surface in 2013. This product range reflects the continuing effort Colas has been investing in R&D for many years, and for which it has received a large number of awards.

C. SUSTAINABLE RESOURCE USE

C.1: LOCAL WATER CONSUMPTION AND SUPPLY

Qualitative information

Water consumption is more important in some parts of the world than in others. In southern Morocco or Djibouti, the issue is very different than in northern France, French Guiana or the eastern coast of Madagascar. In general, Colas subsidiaries must take local water requirements into account, and water management is one of the criteria of the ISO 14001 standard (see indicator in A.1 on the percentage of environmental certification and self-evaluation).

In water-scarce regions where Colas operates (southern Africa, Algeria, Australia, California, Chile, Djibouti, Egypt, India, Indonesia, Madagascar, Morocco, New Caledonia, Tunisia), a survey was carried out on the subsidiaries concerned. It was estimated that water consumption in these regions comes to around half a million liters per year, which in each case represents a minimal burden on local water supplies (less than 1%). Nonetheless, action plans have been put in place or are being deployed to limit any waste in sensitive contexts, and to favor recirculating and recycling. These efforts remain limited in scope since most of this consumption is necessary to produce emulsions or concrete, materials whose technical specifications require a certain water content, which it is difficult to imagine transporting and for which there are generally few possible substitutes.

Colas has also implemented a strict surface water and groundwater protection policy to guard against the impact of accidental or everyday pollution at its fixed production and maintenance sites. This policy follows strict guidelines, backed by Colas checklists, which require that these sites be (or may be) completely isolated from the surrounding environment. More than 30% of CAE for global materials production activity satisfies all these requirements, and the other sites are at varying stages of their action plans.

It should be noted that the South African company Dust-A-Side, which specializes in mine haul road maintenance and operates throughout the southern hemisphere from Chile to Australia, was not able to assess its water consumption at its customers’ sites, even though it consumes a significant amount. However, comparative studies were carried out by its customers and it appeared that Dust-A-Side technology enables roughly 80% savings in water compared to traditional techniques for dust control and haul road maintenance.

C.2: THE CONSUMPTION OF RAW MATERIALS AND MEASURES TO USE THEM MORE EFFICIENTLY

Indicators

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE</th>
<th>Scope (organizational or regional)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity of materials recycled (in millions of tons)</td>
<td>All activities worldwide</td>
<td>11.2</td>
<td>9.8</td>
</tr>
<tr>
<td>Quantity of reclaimed asphalt pavement (in millions of tons)</td>
<td>Materials production activities worldwide</td>
<td>5</td>
<td>4.9</td>
</tr>
<tr>
<td>Number of low-carbon alternatives proposed by Colas to customers</td>
<td>Global road construction activities</td>
<td>490</td>
<td>735</td>
</tr>
</tbody>
</table>

Comment

Colas’ approach to reducing the consumption of raw materials is based on the following action plan:

- optimize and maximize the recycling of all types of excavation material, demolition debris and inert construction waste, thereby reducing the need for disposal sites and for new materials. Colas has developed indicators to track the amounts
of materials it recycles in its industrial processes and compare these amounts to new materials production, rather than simply record the amount of waste disposed of (see B.2 and D.1) or the recycled material consumed. This choice is based on two objectives: data reliability and the desire to encourage the subsidiaries to invest in recycled materials production units. Rather than tracking total materials consumption, this approach places the emphasis on measuring the amount of materials saved. This is because consumption totals may be quite complex to interpret. For example, some totals may simply increase with revenue while others may decrease due to changing market conditions (such as bitumen consumption, the increasing proportion of service and maintenance activities, and the development of new activities);

- increased recycled materials production follows increased aggregate production, without any improvement in the ratio between the two (see indicators in B.2);
- conversely, the reduction in asphalt-mix recycling tonnage is much less substantial than that of total asphalt-mix production, which allows the recycling rate to keep increasing (see indicators in B.2);

• developing new products at Colas’ R&D laboratories based on an eco-design approach that seeks to minimize the use of raw materials, particularly those that are non-renewable (see B.2). Research is being carried out to optimize eco-friendly binders by applying the principles of “green chemistry”, notably by introducing bio-sourced components, reducing temperatures or limiting greenhouse gas emissions;

• develop and offer low-carbon alternatives. For many years now, Colas has led the way in offering its customers low-carbon alternatives (eco-friendly designs that require fewer materials) and in developing “eco-comparators” for assessing these alternatives. In France, these efforts have culminated in the SEVE® eco-comparator, which includes a materials savings indicator. Colas played a key role in developing this software and in making it available to its customers and throughout the construction industry. Low-carbon alternatives consume less energy and produce fewer greenhouse gas emissions than conventional products and techniques. The decrease in the number of low-carbon alternatives is attributable to the general weakness of the economy and its impact on the road construction market. Colas is taking an active part in the efforts made to reverse this trend in the profession.

### C.3. ENERGY CONSUMPTION. MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY AND THE USE OF RENEWABLE ENERGIES

#### Indicators

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE</th>
<th>Scope (organizational or regional)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumed per ton of mix produced (in kWh per ton)</td>
<td>Mix production activities worldwide</td>
<td>75</td>
<td>76</td>
</tr>
<tr>
<td>Percentage of warm mix produced in asphalt plants (as % of quantity)</td>
<td>Mix production activities worldwide</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Number of tons transported by rail or waterway (in millions of tons)</td>
<td>Global transport of aggregates and bitumen</td>
<td>10.7</td>
<td>9.2</td>
</tr>
</tbody>
</table>

#### Comment

Colas information systems are organized to allow for decentralized management, which is better adapted to the diverse range of regions and activities it covers. Energy consumption takes on a very diffuse form in these systems, whether it involves fuel purchases for machinery or quarry electricity consumption, for example. This data is extracted in part from the accounting systems, but also from production systems, if only to monitor improvements in energy efficiency. To overcome this issue, the Cleanergie program was launched in 2012 to provide Colas with a measuring and monitoring tool and to enable all Group companies to reduce energy consumed for construction, production, building operation and logistics. The program includes a study of some one hundred employees across a range of construction, production and quarry sites, actions to empower managers, and the creation of a steering committee of business-line experts. Some one hundred best practices and opportunities have been identified. This work revealed that the energy consumed by asphalt plant burners and equipment (vehicles and construction machines) together accounted for three fourths of Colas’ direct energy consumption in almost equal proportions. In 2013, at the initiative of Cleanergie correspondents, Colas transformed its collection systems into an information network to obtain more accurate data on its energy consumption at all its locations worldwide. This new collection method will take effect starting in fiscal year 2014, and will gradually be made more reliable and ready for audit in 2015. An initial estimate of the budget allocated to this consumption is around 600 million euros.

Colas systematically and carefully measures and monitors fuel consumption of asphalt plant burners at around 500 plants.
In addition to low-carbon alternatives (see C.2), the following techniques are used to achieve indirect energy savings:

- warm mixes, which require about 15% less energy to produce than hot mixes. Warm mixes accounted for 16% of Colas’ total mix production in 2013, up 3% from 2012; all employees are ready to start expanding the use of these warm products throughout their regions, adapting production tools and conducting research to enable lower product temperatures;
- recycled materials, and especially reclaimed asphalt pavement, which saves bitumen and aggregates and reduces production and transport costs. This improves the overall energy balance over the life cycle of the materials (see indicators in B.2 and C.2);
- in-place road recycling, which saves energy by reducing the need for materials and transport (see indicators in B.2).

Colas is also focusing its efforts on:

- measurement tools: to assess improvements in energy efficiency, Colas must be able to measure its fossil fuel consumption. Electricity is only a small portion of the Group’s total energy footprint. While it is fairly easy to track the consumption of asphalt plant burners (although this indicator is practically stable), accurately monitoring the consumption of over 65,000 machines and vehicles across 1,700 production sites and works centers is much more complex, despite the fact that it represents the most substantial means of potential progress. To improve monitoring, Colas continues to equip vehicles and machinery with on-board consumption monitoring systems: the number of machines equipped doubled from 2,000 in 2012 to more than 4,000 in 2013;
- increasing employee energy-awareness: Colas is conducting an information campaign to get its truck drivers and equipment operators to reduce their fuel consumption by 20%, by adopting eco-driving habits and switching off engines when equipment is idling. This campaign points out the three advantages of eco-driving, which reduces costs, increases safety and helps preserve the environment. Although these advantages are still hard to measure, more and more people are engaged in this effort. All continuing vocational training provided to drivers includes an environmentally friendly driving component, as well as specific training sessions on this subject developed for heavy-vehicle drivers and machinery operators. The Cleanergie program also has a great deal of support at work sites and production sites, with a growing range of initiatives and efficiency indicators.

For its own transport requirements, Colas uses rail and inland waterways as an alternative to road haulage. However, since there is little flexibility to replace one mode of transport with another, Colas is working to improve the environmental performance of each mode and achieve the best possible balance by proactively adopting innovative techniques. The quantity of materials transported by rail or waterway is equivalent to 3,700 freight trains (with each train containing 40 freight cars) and avoids deploying 370,000 30-ton trucks. The progress made for this indicator should be interpreted with caution, since the 2012 number was not completely reliable.

C.4. LAND USE

Qualitative information

Most of Colas’ construction work involves the maintenance, repair or redevelopment of areas that are no longer in their natural state. The construction of new infrastructure accounts for only a modest share of revenue (estimated at less than 10%), and Colas often has no control over how land is used since the land for its projects (including concessions and PPP) is made available by its customers. Colas therefore has no direct impact on land use in these cases, as the location of its work sites depends on the project owner.

All quarry and gravel pit sites are rehabilitated when they are shut down and many are restored progressively while still being operated. In addition, the amount of materials recycled is equivalent to the production of 33 Colas quarries or gravel pits throughout the world.

(see: Qualitative information II – A.4)
D. CLIMATE CHANGE

D.1: GREENHOUSE GAS EMISSIONS

Indicators

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE</th>
<th>Scope (organizational or regional)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Greenhouse gas emissions</strong> (in millions of tons of CO₂ equivalent)</td>
<td>All activities worldwide</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td><strong>Greenhouse gas emissions per ton of mix produced</strong> (in kilos of CO₂ equivalent per ton)</td>
<td>Mix production activity worldwide</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td><strong>Carbon intensity</strong> (in kilos of CO₂ equivalent per euro of revenue)</td>
<td>All global activities (excl. the United States and Canada)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Carbon intensity</strong> (in kilos of CO₂ equivalent per US dollar of revenue)</td>
<td>All activities in the United States and Canada</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Greenhouse gas emissions avoided by the Group’s actions</strong> (in tons of CO₂ equivalent)</td>
<td>All activities worldwide</td>
<td>169,000</td>
<td>166,000</td>
</tr>
</tbody>
</table>

Comment

In 2013, there was no significant change in the Group’s CO₂ levels, taking into account the uncertainty inherent in calculating the carbon footprint. To calculate its carbon footprint, Colas observes the 3.a scope of the ISO 14064 standard and the guidelines of the GHG Protocol. The scope of calculation includes activities that are upstream from its business operations. The impact of road traffic on the infrastructure that Colas maintains or builds is considerable, non-quantifiable and beyond Colas’ control. Therefore, the 3.b scope has not been applied.

This calculation necessarily involves a margin of uncertainty (over 20%) due to various factors and in particular to discrepancies between national and international data, the difficulty of estimating the carbon costs of the products and services of some suppliers and subcontractors, and data collection and conversion issues. Consequently, the carbon footprint is a good tool for ensuring order of magnitude, but it cannot be considered to be a reliable indicator to monitor annual performance, given these factors of uncertainty.

Furthermore, no distinction was made between scopes 1, 2 and 3 for two reasons:

- data on carbon emissions factors are not differentiated by scope;
- the nature of Colas’ operations makes it extremely difficult to distinguish between its emissions and those of its suppliers or contractors, especially given its vertical integration and questions related to subcontracting and rented road construction equipment (with or without fuel, depending on the contract). It was therefore decided that the carbon scope would include all of the emissions generated by Colas’ operations and those of subcontractors.

Although the carbon footprint cannot be used to assess a reduction in greenhouse gas emissions based simply on a comparison of annual results, the greenhouse gas emissions avoided by specific actions to reduce them can be more accurately measured. Colas reduces GHG emissions in two ways:

- by reducing the amount of energy it requires for its operations and the GHG emissions these operations generate. This involves improving energy efficiency (see C.3 above) through actions:
  - to reduce fuel consumption, for example by encouraging truck drivers and equipment operators to adopt fuel-efficient driving habits and switch off engines when equipment is idling,
  - reduce fuel consumed by asphalt plant burners. Fuel consumption per ton of asphalt mix produced is monitored worldwide;
- by reducing the energy and GHG content of the products and techniques that Colas offers its customers. To reduce its carbon footprint and that of its customers, Colas pursues an active policy of R&D and innovation to develop alternative solutions that help preserve the environment. Below are some examples:
  - warm mixes and mastic asphalts: mixed at temperatures that are tens of degrees lower, these products reduce energy consumption by 10% to 30% while reducing emissions of bitumen fumes by 70% to 90%,
  - in-place road recycling: this technique reduces greenhouse gas emissions by reducing materials production and transport requirements,
  - Vegeroute® products (e.g.: Vegecol® plant-based binder, patented in 2004; Vegeflux® fluxing agent, patented in 2006; Vegemark® road marking paint, certified in 2010; Ostrea®, a hot road marking product certified in 2006). Developed in Colas’ R&D laboratories, these products contain plant-based materials instead of petroleum-based components. These plant-based materials not only serve as carbon sinks but also enable lower production and application temperatures, and can even reduce overall materials requirements in some cases;
  - recycling RAP and bitumen: recycling old asphalt pavement enables the recovery of bitumen, which is made from petroleum, itself a limited natural resource. In addition to aggregates, Colas recycled some 230,000 tons of bitumen
in 2013. This is equivalent to the annual bitumen production of a medium-sized refinery;
– Colas has developed EcologicieL®, the first software tool for calculating and selecting low-carbon alternatives for road building projects, and has also played a key role in developing the SEVE® “eco-comparator” which is used throughout the road construction industry in France and provides customers and contracting authorities with an approved and common framework for selecting low-carbon alternatives. The eco-friendly solutions that Colas provided for its customers in 2013 avoided 6,000 tons of CO₂ emissions. The recycling of bitumen obtained from asphalt mix recovered from demolition or resurfacing is currently the main means of reducing CO₂ emissions: 93,000 tons of CO₂ were thus avoided in 2013. In most countries other than France, low-carbon alternatives cannot be proposed in public contracts. Colas is working to promote these products internationally, which has proven difficult within the current economic context faced by project owners.

D.2. ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

Qualitative information

Given the nature of Colas’ operations, adapting the infrastructure it builds or maintains to account for climate change depends on the standards observed by its customers and their specifications.

With work sites and production sites across the world, Colas has acquired in-depth knowledge of the particular constraints of designing and building infrastructure in harsh climates. This includes regions with very hot and dry climates (such as southern Morocco, western Australia and Djibouti), with extremely high rainfall (French Guiana and Caribbean, and the Indian Ocean region) and with extremely low temperatures (at high altitude and in Canada, Alaska and Greenland). This experience enables Colas to advise its customers within the context of climate change, whenever possible. For example, in 2009, Colas won a contract in Dawson, Yukon (Canada) to resurface a road using a low-carbon alternative made with Colclair® binder to better reflect heat where the permafrost ground is threatened by increasing temperatures due to climate change.

E. PROTECTING BIODIVERSITY

E.1. STEPS TAKEN TO PRESERVE OR DEVELOP BIODIVERSITY

Indicators

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE</th>
<th>Scope (organizational or regional)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of aggregate production sites taking action to promote biodiversity⁴ (as % of quantity)</td>
<td>Aggregate production activities</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>Ratio of CAE for aggregate production sites taking action to promote biodiversity (as % of quantity)</td>
<td>Aggregate production activities</td>
<td>41</td>
<td></td>
</tr>
</tbody>
</table>

⁴ This indicator has been monitored since 2011 and the reported information will lead to a more precise formulation of the application criteria in 2014, in order to consider the diversity of situations and differences in understanding regarding criteria between one entity and another. This standard review will improve the program, which is now fully deployed. These considerations do not call into question any of the trends indicated above, but will lead to stricter requirements for several sites.

Comment

After an analysis of its activities’ direct impact on biodiversity, Colas decided to focus efforts on quarries and gravel pits. This action consists in:

• setting up and monitoring a process to facilitate the presence of a protected animal or plant species at the site and the living conditions it requires;
• installing beehives at the site.

Action must be conducted in partnership with local stakeholders, such as beekeepers, naturalists, natural park authorities and NGOs.

This year, the indicator is supplemented by the CAE ratio indicator, which shows that 41% of consolidated revenue plus intragroup disposals is covered by action to promote biodiversity. Currently, more than 90 different protected species live at the Group’s extraction sites, in addition to some thirty sites that are home to beehives. This indicator’s growth shows that real progress has been made since this policy was deployed in June 2012, on the occasion of Colas’ Environmental Convention. This effort remains varied according to cultural contexts, enjoying strong support in France, but less in the United States, for example. Despite these differences, all entities have made progress.

Trials are also underway to have Colas work crews systematically integrate a process for dealing with invasive plants, as a growing number of subsidiaries around the world are tackling this issue.
III – Information on corporate social responsibility commitments to promote sustainable development

Colas cares about the external effects of its activities. Not only does it seek to reduce negative impacts, it also develops positive impacts on a large scale. One example of the concrete actions that the Group has implemented over time is the positive impact of its road safety policy for the prevention of road accidents. Its commitment in this area is reflected by the renewal on a regular basis since 1997 of a road safety charter signed with the French government and the Caisse nationale d’assurance-maladie des travailleurs salariés (CNAMTS or “Employees’ health insurance fund”), as well as a similar charter at the European level. “Road Safety Officers” are specially trained employees who implement an accident prevention program in the field based on the code of best practices issued by the French government committee for the Prevention of Road Risk. An example in the area of health and safety is an extensive first-aid training program for Colas employees, launched by the Group in 2006 in France and around the world. Today, close to one-third of Colas employees know life-saving techniques (see Part I – D.1). This training benefits not only the employees, but their friends and families as well as others in general.

Because the Group’s activities are decentralized, Colas is involved locally through community outreach activities, particularly with regard to work, local partnership initiatives, corporate patronage, and in terms of local dialogue (see Part III – A.2).

Societal indicators:
III – A2: Ratio of CAE for materials production activities taking action to promote local dialogue.
III – B2: Donations in cash; Donations in kind.

A. REGIONAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY’S ACTIVITY

A.1: WITH REGARD TO EMPLOYMENT AND REGIONAL DEVELOPMENT

Qualitative information

The Group has an impact with regard to employment and regional development through:

- its network of long-standing local operating units which is at the heart of its strategy, in business lines where proximity to the customer is key;
- its 61,000 employees, in businesses where the jobs are local and not liable to be relocated;
- the construction of road and railway transportation infrastructures that contribute to the economic development of regions.

The Group contributes to employment and development of the regions where its operations are located through a number of actions, for example:

- in France, the partnership agreement signed in 2012 with the Adecco workforce integration network, which includes over 60 companies providing temporary job opportunities for underprivileged workers, continued. The objective of this agreement is to help entities better meet their social obligations, by strengthening actions to identify, select, and provide socio-professional support to people who fall within the scope of these programs, while offering them a genuine path to rejoin the workforce that will increase their chances of regaining long-term employment.

- outside France, many initiatives have been implemented across all the Group’s companies.

A.2: WITH REGARD TO RESIDENT AND LOCAL POPULATIONS

**Indicator**

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE</th>
<th>Scope (organizational or regional)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of CAE for materials production activities taking action to promote local dialogue (as % of quantity)</td>
<td>Materials production activity worldwide</td>
<td>34(1)</td>
<td>45</td>
</tr>
</tbody>
</table>

(1) Since the scope of this indicator was redefined in 2013, the CAE coverage rate is higher than in 2012.

**Comment**

Colas manages a large number of production sites for construction materials: aggregates, ready-mix concrete, asphalt mixes, bitumen, emulsions, and others. The acceptance of these sites, particularly by local residents, is an increasingly sensitive issue throughout the world. Themes include concerns of nuisances (odors, dust, traffic, noise), risks of environmental or health impacts, and others. The Colas Group has identified this issue of community acceptance as one of its strategic targets for Responsible Development and has initiated action plans in two directions:

- exemplary production sites: each site must implement progress measures that go beyond mere compliance with administrative or regulatory requirements. Obtaining environmental certification is the preferred approach (under ISO 14001, for example). Progress measures are documented and assessed using a system of checklists covering most of the Group’s activities in the production of construction materials.

- • outside France, many initiatives have been implemented across all the Group’s companies.
materials worldwide. This approach is an integral part of the internal control of operations and affects some 1,700 Colas production sites and plants around the world (see indicator in A.1, Environmental certification rate and self-assessment);

- dialogue initiative with neighboring communities and local governments: maintaining an open dialogue with local communities makes it possible to better understand their expectations, explain the reality and constraints of production sites, and promote mutual understanding to prevent crisis situations. A local dialogue indicator has thus been established to measure the extent of this dialogue with the local community and local government.

In developing countries where it established operations many years ago (in Madagascar, West Africa and central Africa, in particular), Colas is involved in health initiatives (to fight AIDS, intestinal infections, and malaria, in particular) that include employees, their families and the local village populations. One of these programs has been run in cooperation with the International Labor Organization for several years.

B. RELATIONSHIPS MAINTAINED WITH PERSONS OR ORGANIZATIONS HAVING AN INTEREST IN THE COMPANY’S ACTIVITIES

B.1. CONDITIONS OF THE DIALOGUE WITH THESE PERSONS OR ORGANIZATIONS

Indicator and comment
Please refer to paragraph A.2.

Beyond the local relations described in A.2, the question of relations with Colas Group stakeholders is hard to resolve, given the diverse range of business activities and regions across which it operates. In line with Colas’ values and culture, stakeholders are generally dealt with through decentralized management, except when it comes to subjects that may merit a global approach.

Regarding this last point, the issue of bitumen fumes (see indicators and comments in Part I, paragraph D.1) deserves to be highlighted, since Colas has been a driving force in the construction industry when it comes to mounting a dialogue with the scientific community and joint organizations, on both the French and international levels.

B.2. PARTNERSHIP OR PATRONAGE INITIATIVES

Indicators

<table>
<thead>
<tr>
<th>Coverage: 100% of CAE</th>
<th>Scope (organizational or regional)</th>
<th>2013(1)</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations in cash</td>
<td>All activities worldwide</td>
<td>4.56</td>
<td>4.8</td>
</tr>
<tr>
<td>(in euro millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations in kind</td>
<td>All activities worldwide</td>
<td>0.63</td>
<td>1.3</td>
</tr>
<tr>
<td>(in euro millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Scope modified in 2013.

Comment
At the local level, corporate patronage initiatives are decided upon and managed by the subsidiaries and their operating units. These initiatives mainly involve sports-related sponsorships and cultural or humanitarian patronage.

The Colas parent company’s patronage policy focuses on three areas:

- cultural patronage: the Colas Foundation (commissioning paintings from artists on road-related themes), Colas on Stage (support for dance and music festivals);
- solidarity patronage: Colas Life (support for educational assistance initiatives);

The overall budget for the period from January 1 to September 30, 2013 was 5.19 million euros (compared to 6.1 million euros for full-year 2012).

Note: the comparison of information between 2012 and 2013 should be interpreted with caution because the way this information was collected and consolidated has changed, since this information is now managed for the first time using the Xfi software. As a result:
- reporting covered nine months in 2013; it was not possible to estimate data for the last quarter of 2012, notably due to the reorganization of road construction subsidiaries in Mainland France;
- consolidation uses the principles defined in the reporting software, which was not the case in 2012;
- the exchange rates applied are now those provided by the reporting software, which was not the case in 2012.
C. SUBCONTRACTING AND SUPPLIERS

C.1: TAKING INTO ACCOUNT SOCIAL AND ENVIRONMENTAL CHALLENGES IN THE PURCHASING POLICY

C.2: IMPORTANCE OF SUBCONTRACTING AND TAKING INTO ACCOUNT THE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY OF SUPPLIERS AND SUBCONTRACTORS IN RELATIONSHIPS WITH THEM

Qualitative information

Colas’ Responsible Purchasing approach is designed to be cautious, gradual and targeted, considering the large number of suppliers, service providers and subcontractors that the Group deals with, as well as its decentralized purchasing policy at work sites and production sites, and financial constraints.

Colas chooses to devote particular attention to its relations with suppliers and service providers, both in France and worldwide.

This approach was therefore restructured in August 2013, as part of the changes made to its internal control system. It consists in:

- identifying suppliers, service providers and subcontractors who have made public commitments to respect the principles of responsible purchasing (members of the Global Compact program, BITC [Business in the Community], BSR [Business for Social Responsibility], etc.) or who have received a published satisfactory rating in their field (companies rated by indexes such as the DJSI, FTSE4Good, etc.). Orders made with such companies automatically satisfy the first level of responsible purchasing requirements. The proportion of this type of purchase is therefore evaluated, either using purchasing information systems available at certain Group subsidiaries or by determining this proportion through surveys. The goal is for each subsidiary to have such an evaluation for the 2013-2014 reporting period and to be able to provide information on its sources and methods;

- identify the main risks for certain types of purchases at each subsidiary. To analyze the risks of non-responsible purchases, the period in question is subjected to a risk-mapping procedure. To do this, a guide has been created, which defines the notion of responsible purchasing and provides a non-exhaustive list of the potential risks associated with different types of purchases.

Following these procedures, the Steering Committee will recommend targeted, step-by-step actions to be taken in order to reduce the risks identified and satisfy the growing requirements that apply to this committee in this specific area of CSR.

The second step in deploying this approach consists in defining the appropriate indicators.

In addition, in Mainland France Colas conducts audits of suppliers under framework agreements: 49 have been conducted to date (19 in 2013, 20 in 2012). In 2014, the objective is to increase the number of audits to three per each purchasing department.

D. FAIR TRADE PRACTICES

D.1: ANTI-CORRUPTION ACTIONS

Qualitative information

For many years, guidelines have been established and disseminated to promote compliance with business ethics and standards of integrity. These have been included in a brochure and summarized on the first page of the management principles and Code of Ethics brochure issued to employees by the Bouygues Group (to which Colas belongs). Given the considerable decentralization of the business lines and the very large number of staff members in a position to enter into contracts, particularly with public sector customers, the risks associated with business ethics cannot be ruled out with complete certainty. It is for this reason that training programs, refresher courses, controls and reporting are implemented on a regular basis, according to programs that aim to cover all of the subsidiaries. The main actions carried out relate to:

- training seminars organized by the Legal Department in the framework of a multi-year plan that aims to cover the entire Group. Accordingly, in 2013, ten days of training on ethics and the legal liability of managers (updates and comprehensive training) were offered: four at Smac’s regional locations (Île-de-France/Normandie, Ouest/Sud-Ouest and Est/Sud-Est); two for Aximum; and, outside France, one in South Africa, one in Slovakia, and two in Quebec. This training is supplemented by company training programs offered by the subsidiaries. Regular reminders are provided on this subject in all meetings of subsidiaries, Executive Management committees, Executive Management teams and on the Group level;

- in the subsidiaries in the United States, a specific communication and training program on ethics, as part of compliance with the Federal False Claims Act, which aims to prevent fraud in companies that have obtained public contracts. Twelve training sessions provided by outside experts were given in 2013, including nine two- or three-hour sessions bringing together all first-level and higher-level supervisors. In addition to this offering, three four-hour training sessions were carried out internally at Colas Universities in North America. An anonymous call line allows employees to issue alerts on these subjects. Twenty-three alerts were handled in the United States in 2013. An online ethics training program was set up and offered to all employees with an e-mail address;

- in Canada, a Chief Ethics and Compliance Officer position was created in July 2013. Following the creation of this position, a briefing memo was sent to all the Group’s employees in Canada, reminding them of the Group’s ethics and compliance commitments, and its zero-tolerance policy regarding these issues. In 2013, two training programs were offered to all managers at the Sintra subsidiary in Quebec. Lastly, a call line was opened for employees to report any proven or suspected misconduct of this type.
These actions will be continued and improved upon in 2014. The training program of the Group’s Legal Department will include seminars for subsidiaries in the Indian Ocean region (Reunion, Mayotte), the Czech Republic, Canada (except Quebec), at Colas Rail (notably in the United Kingdom), and in Switzerland and Belgium.

D.2: MEASURES TAKEN TO PROMOTE CONSUMER HEALTH AND SAFETY

Qualitative information

The Group’s end customers are the users of the infrastructures that it builds or maintains. In this area, Colas has very limited freedom to modify its products and its projects since, in most of the countries where it operates, it is prohibited from proposing alternatives to the basic solution described in public sector contracts. In France, however, and in certain European countries in particular, it is possible to make proposed modifications, often limited and for certain contracts only.

With the exception of safety issues, transportation infrastructures have no direct impact on the health of users. Group R&D works in a number of areas to respond to road safety challenges, in particular:

• production of a range of high-performance surfacing providing better skid resistance (rough and/or draining products to limit skidding in rainy weather);
• improvement in visibility (work on road markings in cold or wet weather and at night);
• manufacture of road safety equipment (Aximum safety and signaling subsidiary).

In order to reduce noise from road traffic, Colas offers noise-reducing mixes and has developed a special noise barrier. This product range has received many prizes in France and around the world.

D.3: OTHER ACTIONS INITIATED, REGARDING INFORMATION RELATING TO CORPORATE SOCIAL RESPONSIBILITY COMMITMENTS TO PROMOTE HUMAN RIGHTS

Qualitative information

In article 2 of its Code of Ethics, the Bouygues Group, to which Colas belongs, commits to complying with the United Nations’ Universal Declaration of Human Rights and the fundamental conventions of the ILO (International Labor Organization) (see Part I – G).

The Colas Group operates in 50 countries across 5 continents, and follows a business model centered on permanent operating units that employ local staff. Colas believes in the value of hiring locally everywhere in the world, and that high-quality human resources are available in every country, aside from rare exceptions in scarcely populated regions with a thriving economy or experiencing strong growth. Colas therefore employs few expatriate employees: 307, out of a total of 24,000 employees outside France. Relying on local staff and treating employees with respect are part of preserving human rights.

In France and on the international level, the Colas Group is committed to respecting laws and regulations, including the Universal Declaration of Human Rights, and carries out internal audits to verify that it is not complicit in any human rights violations. There is no indication that Colas is particularly exposed regarding this issue. As it mainly operates in OECD countries, where it carries out 90% of its activity, Colas is practically absent from countries listed as at-risk regarding these issues. Furthermore, its vertical integration policy automatically protects it from a systematic reliance on external purchasing and subcontracting.

The field of purchasing and subcontracting is often considered an at-risk subject. Colas is in a special position because the nature of its activity does not allow for outsourcing (neither concrete nor asphalt mix may be produced or applied in one country for an infrastructure located in another country). Purchases made in at-risk countries are completed by Colas teams located in those countries; their local presence and management systems enable these teams to limit the risk of being drawn into working with suppliers that violate human rights.

The Audit Department is instructed to issue a warning if a problem of this nature is detected during one of its audits, even if no complaint is triggered. In 2010, an audit and rating report produced by the BMJ ratings agency did not identify any particular weakness regarding these issues.