EIFFAGE

2018 Registration Document

Inventing the future with a human perspective

Making the difference

4 divisions, 8 business lines, 100,000 projects every year

€16.6 billion
in revenue

€13.9 billion
contracting order book at 31 December 2018

€629 million
net profit Group share

70,400
Group employees

20,400
employees outside France

"Every day, our 70,400 employees hone their skills, build cities, connect regions and implement innovative solutions and services to meet people's needs locally.
We are spurred on by our firmly established culture of innovation and our compact structure of eight business lines that come together to deliver high value-added projects.
Our goal of making the difference is underpinned by the strong values shared by our teams. This is reflected by our unique employee share ownership model, which has been in place for nearly 30 years now.
Our excellent results in 2018 have laid the foundations for us to achieve that goal.
Once again in 2018 we worked on over 100,000 projects in France and the 50 countries in which we operate, generating €16.6 billion in revenue.
We also launched our employer brand, which aims to highlight the human touch that makes us stand out and to attract the best talent, so we can rise to the challenges of the future.
This will help us build the future with a human perspective that we envision."

Ambition

Inventing the future with a human perspective

Essentials 2018

Balancing financial and non-financial performance

Operations

Developing the solutions and services of the future

Vision

Innovating to create a sustainable future

Human resources

Supporting the long-term development of our employees

Inventing the future with a human perspective

Interview with Benoît de Ruffray,
Chairman and Chief Executive Officer of Eiffage

Benoît de Ruffray discusses the 2018 results, his ambitions for the Group as it builds the world of tomorrow and how Eiffage is bringing everyone together to rise to the challenges ahead.

"Inventing the future with a human perspective means continuing to grow while staying true to who we are"

What are, in your opinion, the main factors that contributed to the Group's strong results in 2018?
Benoît de Ruffray — Our excellent momentum was certainly a key factor. Our Contracting business lines delivered a brisk pace of organic growth, which was further boosted by a series of significant acquisitions. Our order book increased across all our business lines, with large-scale projects in particular making a valuable contribution. The 16.1 work package of the Grand Paris Express project helped us reach a record high.

We again achieved very rapid revenue growth in international markets this year, thanks to three main performance drivers. Our permanent businesses reaped the benefits of strong performance in certain business lines, such as civil engineering in Germany, energy systems in Spain, construction in Belgium and large-scale projects in Senegal. Our export business posted strong growth, especially in Africa and Latin America, and received a boost from the transfer of projects from Eiffage Génie Civil Marine, which was created after the acquisition of Saipem's maritime works in 2018.

We also made further acquisitions to expand our European footprint, broadening our speciality businesses in Germany, enhancing our geographical coverage in Spain and giving us leading positions in Switzerland and the Netherlands. Our results also reflect the significant reduction of our net finance costs. This set of figures represents the culmination of several years of hard work by all our teams.

You launched the Eiffage 2020 strategic plan in 2016. How do things stand at this halfway point?
B. de R. — We are on track and seeking to maintain a balance between our Contracting and Concession operations. In Europe, we have made a name for ourselves with all our business lines. We have also demonstrated our ability to successfully complete projects in export mode beyond Europe.

In Concessions, we are steadily improving our productivity and introducing new services for our clients. We are executing the 2015 stimulus plan and the new investment plan. In regions where our Contracting business has a strong reputation, we seized opportunities to scale up our Concession operations. The A41 is a prime example of this. In 2018, we acquired a stake in Getlink, which fits perfectly with our long-term strategy, strengthening our Concessions business and extending the maturity of its portfolio, without diluting our European focus.

And looking beyond operational performance, which highlights would you pick out?
B. de R. — In 2018, we introduced our new employer brand: "Invent your own future with a human perspective". It reflects our way of doing things and also the challenges we face in innovating and transforming our business lines. It encourages us to grow without losing sight of who we are, and to proudly display the Group's values that enable us to make the difference. In this same vein, the implementation of the Eiffage Connexions project – giving all of our tradespeople an email address – has enabled us to strengthen the Eiffage digital community, which can now be accessed by everyone. We also decided to embrace the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) this year. We want all our employees to fully engage and work together to reduce the carbon footprint of our own operations and help our clients do the same by adopting appropriate solutions.

What message would you like to share with us for 2019?
B. de R. — Let's stay on track. With our structure and vision, we have everything we need for an excellent 2019. We simply need to continue developing our core businesses to maintain our identity and performance level. We need to make even more progress in prevention, keep a tight grip of our major projects, boost our margins and integrate our acquisitions. We must stay true to our values and bring them to life. They are indispensable if we are to remain on course and accelerate our growth. —

"In 2019, we must make sure our values, our strategic plan and the major challenges of our times are all perfectly aligned." —

Balancing financial and non-financial performance

Governance

Executive Committee

The Executive Committee defines and implements the Group's overall strategy. It meets twice monthly to monitor the performance and results of the various divisions, track the progress of strategic projects, set consolidated targets, establish priorities and oversee the Group's operations.

Benoît de Ruffray — 1
Chairman and Chief Executive Officer of Eiffage and Chairman of the Energy Systems division

Christian Cassayre — 2
Chief Financial Officer of Eiffage

Olivier Genis — 3
Chairman of the Construction division

Marc Legrand — 4
Concessions Director

Philippe Nourry — 5
Chairman of Motorway Concessions in France

1 — 2 — 3 — 4 — 5 —

Board of Directors

The Board of Directors establishes the Group's long-term priorities and ensures that they are implemented. It has 11 members, who are appointed for staggered terms of four years. The Board meets at least five times a year.

Benoît de Ruffray
Chairman and Chief Executive Officer of Eiffage

Jean-François Roverato
Vice Chairman and Senior Director of Eiffage

Thérèse Cornil
Independent director

Laurent Dupont
Director representing employee shareholders

Bruno Flichy
Non-independent director

Odile Georges-Picot
Independent director

Jean Guénard
Independent director

Marie Lemarié
Independent director

Dominique Marcel
Independent director

Isabelle Salaün
Independent director

Carol Xueref
Independent director

Highlights

COMMITMENT — **JAN. 18**

Eiffage added its name to Climate 2020 collective's **European pledge** to **"Take action for the climate".** Benoît de Ruffray was the second Chairman & CEO and the first among SBF 120 companies to sign this pledge.

CONTRACT — **FEB. 18**

Eiffage won the contract to build **line 16.1,** the largest work package in the Grand Paris Express project.

ACQUISITION — **MAR. 18**

Eiffage continued to expand its footprint in Europe with the acquisition of **Priora AG,** one of the leading construction companies in the German-speaking part of Switzerland.

INAUGURATION — **APR. 18**

The first tranche of the **Grand Hôtel-Dieu de Lyon** was inaugurated and opened to the public after four years of renovation work.

SPORTS — **MAY 18**

The fifth annual **Course Eiffage du Viaduc de Millau en Aveyron** race was held on 27 May 2018. Almost 11,000 runners from 50 countries took part.

ECO-NEIGHBOURHOOD — **JUN. 18**

Work began on **LaVallée,** the new eco-neighbourhood in Châtenay-Malabry on the site of the former École Centrale.

MAINTENANCE — **JUL. 18**

Eiffage celebrated the first anniversary of the commissioning of the **Bretagne-Pays de la Loire** high-speed rail line on 2 July 2017.

PROJECT — **AUG. 18**

As part of the Eole extension project, Eiffage installed four crosshead girders at the **Pont de Bezons** bridge near Paris when roads were closed for planned works at weekends.

CONTRACT — **SEPT. 18**

Eiffage won the contract to build the 48,000 m² extension to **Volkswagen's Antoninek plant** in Poland.

HR — **OCT. 18**

Eiffage launched its new **employer brand** with the tagline, "Invent your own future with a human perspective".

MOBILITY — **NOV. 18**

The new 100% electric **MIA autonomous shuttle** was unveiled. It is due to enter service in eastern Lyon in the first quarter of 2019.

ACQUISITION — **DEC. 18**

Eiffage strengthened its Concessions division with the acquisition of a 5.03% stake in **Getlink,** which holds the Channel tunnel concession to 2086.

Eiffage around the world

Local focus

Eiffage's local network in France helps us to forge the close customer relationships that we need to deliver high-quality projects. We have established solid roots in Europe, where we are strengthening our positions for the long term. All over the world, we support our customers with their projects by providing them with the benefit of our expertise in export markets.

€4.3 billion
in international revenue in 2018, including €0.8 billion outside Europe

20,400
employees outside France (at 31 December 2018)

Values

Six values with a human perspective

"Making the difference is more than just a slogan, it is our signature. We bring it to life each day through our decisions and actions. It is an approach that has been substantiated over time by our unique employee share ownership model, and has emerged from the values that have formed the core identity of our Group ever since it was founded. In 2018, we again demonstrated the strength of the six values that guide us in innovating and inventing a future with a human perspective.
Together, these six values make up an indivisible, coherent whole. They are both complementary and interdependent. By adhering to these values, we become what we strive to represent – a resolute organisation driven by its values and working towards a shared vision of excellence and compassion. It is up to our employees to live by and promote our values."

Benoît de Ruffray, Chairman and CEO of Eiffage

Leading by example

At Eiffage, we believe leading by example is intrinsic to respecting others. It is by setting an example that the Group's values become a tangible reality. We do not ask of others something we would not be prepared to do ourselves. Whatever the circumstances, we act in an ethical, honest manner that is perfectly within the rules.

Courage & pugnacity

At Eiffage, our employees demonstrate passion, perseverance and pugnacity in their work, without being single-minded, giving them the strength to face up to and overcome any difficulties they may encounter. Our managers are strong leaders.

Responsibility

At Eiffage, everyone is in some way an ambassador representing the Group. We are all bound to uphold its reputation and safeguard the people and equipment under our responsibility. We empower our people, give them considerable autonomy and encourage them to make decisions and show initiative out in the field.

Lucidity

At Eiffage, our employees are able to identify and describe things clearly and accurately, fully aware of both their strengths and their weaknesses. This enables them to fairly assess the risks and mobilise the resources required. Lucidity helps to ensure we set attainable goals and we uphold our commitments.

Trust

At Eiffage, all our people in management positions implicitly trust their employees and will support them in every way in the event of any difficulties. The actions we take are taken as a team and we leave no-one behind. Trust is a sign of appreciation, it is the glue that binds us and enables us to find fulfilment. Trust also governs Eiffage's relationships with its stakeholders and promotes long-term partnerships.

Transparency

At Eiffage, we are open and transparent about what is at stake. Everyone knows what is expected of them and what they can reasonably expect from others. Transparency is fundamental to build trust. Information must be accurate and complete and must be shared in a timely manner. It is unacceptable to dissimulate or falsify information. Everyone must accept responsibility for their own actions. People are allowed to make mistakes, but we must learn from them, for the only real mistake is the one from which we learn nothing.

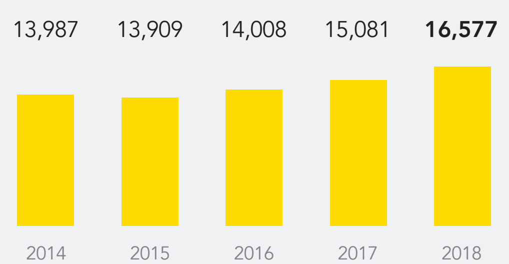
2018 Key figures

Revenue per business unit
(in millions of euros)

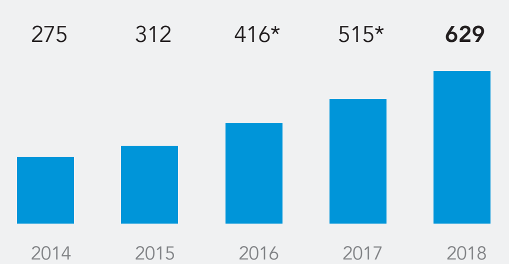
	2017	2018	Actual	LFL*
Construction	3,868	4,001	+3.4%	-3.1%
of which Real Estate	963	845	–	–
Infrastructure	4,704	5,537	+17.7%	+13.4%
Energy Systems	3,782	4,160	+10.0%	+5.3%
Total Contracting	**12,354**	**13,698**	**+10.9%**	**+5.8%**
Concessions (excluding Ifric 12)	2,727	2,879	+5.6%	+5.9%
Total group (excluding Ifric 12)	**15,081**	**16,577**	**+9.9%**	**+5.8%**
Of which:				
France	11,911	12,327	+3.5%	+3.0%
International	3,170	4,250	+34.1%	+16.2%
Europe (excluding France)	2,700	3,431	+27.1%	+11.4%
Rest of the world	470	819	+74.3%	+43.8%
"Construction" revenue of Concessions (Ifric 12)	313	311	N.S.	N.S.

* Like for like: at constant scope and exchange rates.

Growth in revenue +9.9%
(in millions of euros)

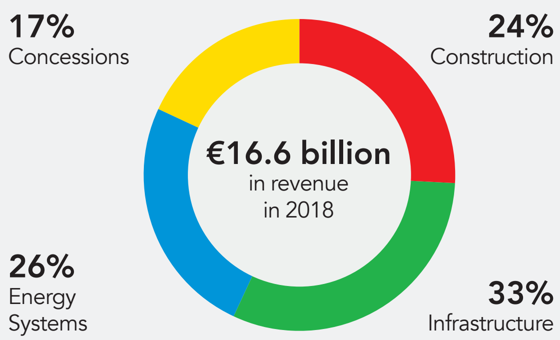


Net profit, Group share +22.1%
(in millions of euros)

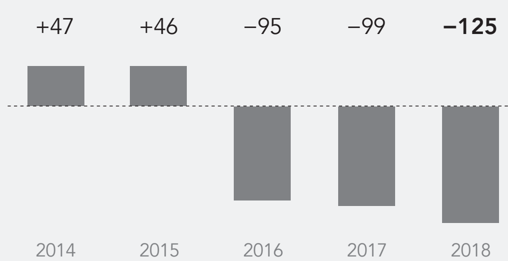


* Excluding positive adjustments to non-current deferred taxation of €59 million in 2016 and €33 million in 2017.

Revenue per business unit
(as a %)



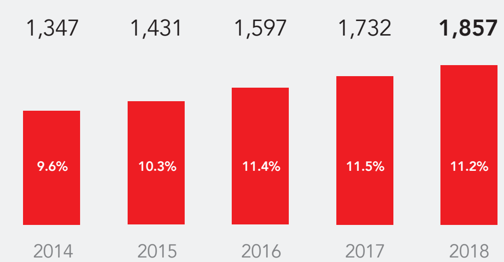
Change in the WCR
(in millions of euros)



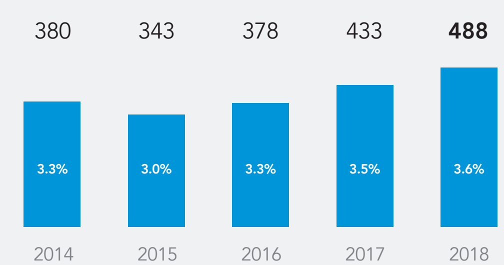
+: cash generated
-: cash used

Operating profit on ordinary activities
(in millions of euros)
and operating margin (as a %)

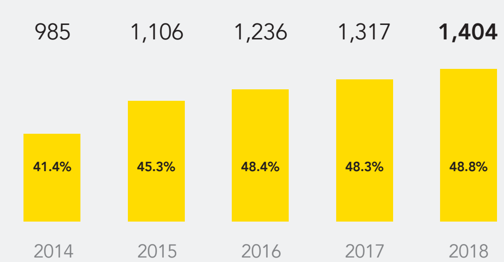
Group +7.2%



Contracting +12.7%
(in millions of euros)



Concessions +6.6%
(in millions of euros)

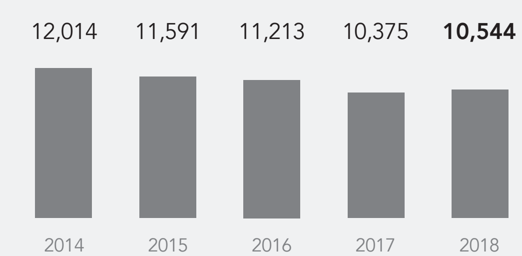


Cash flow
(in millions of euros)

	2017	2018
Operating cash flow	1,334	1,599
Capex	(599)	(607)
Free cash flow	735	992
Acquisitions and disposals	(84)	(528)
Dividends	(265)	(519)
Change in capital	146	(9)
Change without flows of funds	316	(105)
Change in financial net debt*	838	(169)

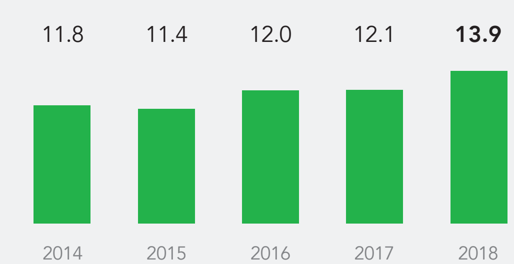
* Excluding fair value of CNA debt and swaps.

Net debt* +€169 million
(at 31 December 2018, in millions of euros)



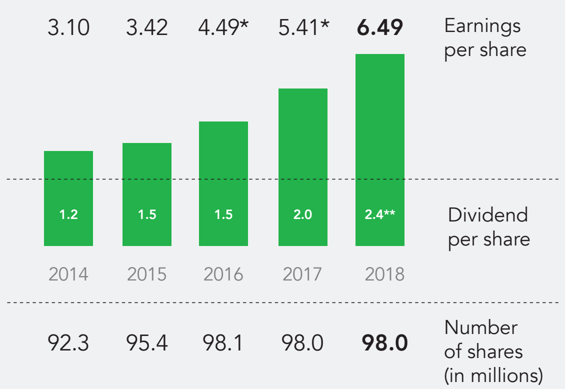
* Excluding fair value of CNA debt and swaps.

Contracting order book +15%
(at 31 December 2018, in billions of euros)



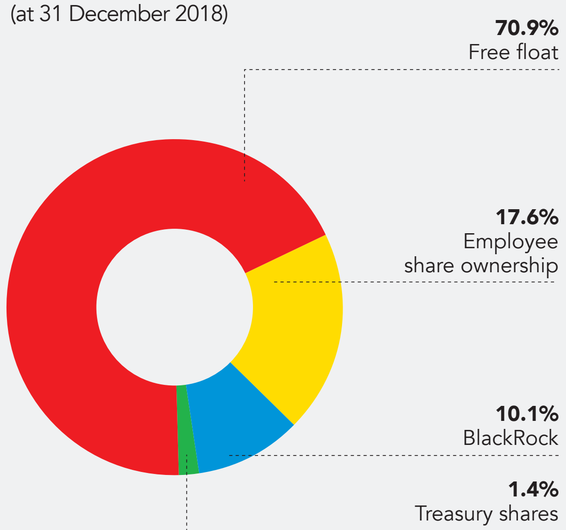
Market information and shareholder structure

Earnings per share and dividend
(in euros)



* Excluding adjustments to non-current deferred tax assets as a result of the reduction in the corporate income tax rate that gave rise to additional tax benefits of €59 million in 2016 and €33 million in 2017.
** Proposed at the General Meeting.

Shareholder structure
(at 31 December 2018)



Listing
Euronext Paris
Compartment A

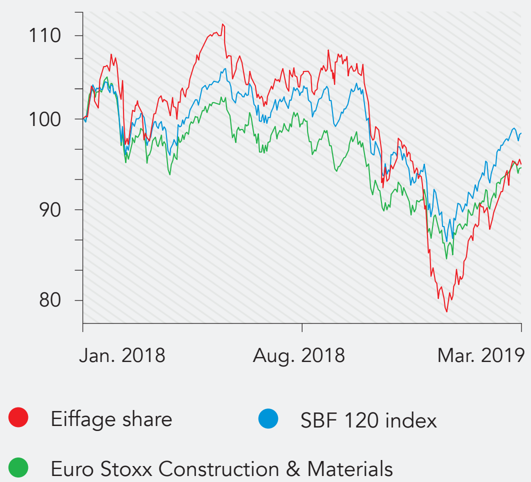
ISIN
FR 0000 130452

Eligible for PEA plans and SRD deferred settlement service

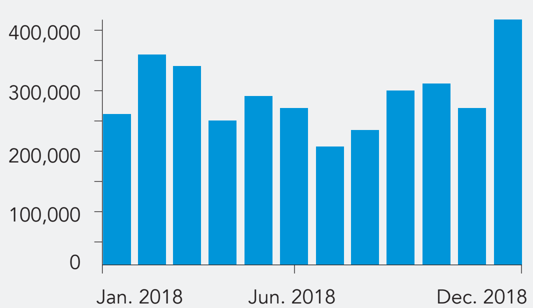
Indices
SBF 120®
CAC Next 20®
CAC Next 60®
Euronext Paris FAS IAS
MSCI Europe

Code
Bloomberg: FGR PF
Reuters: FOUG. PA

Eiffage's share price performance since January 2018 (SBF 120 and Euro Stoxx Construction & Materials rebased)



Monthly average daily trading volume of Eiffage shares since January 2018
(on Euronext Paris)



Employee shareholders

The commitment of our employees is a source of strength for our Group

Over 70%
of Eiffage Group employees were shareholders in 2018

Overview of employee share ownership in 2018

Number of subscribers*	**43,855**
Proportion of subscribers** (as a % of eligible employees)	69%
Amount invested* (in millions of euros)	144
Share capital held by employees	17.6%

* Solely for the FCPE corporate mutual fund.
** In France and around the world.

Investment (by source of funds and by year)*

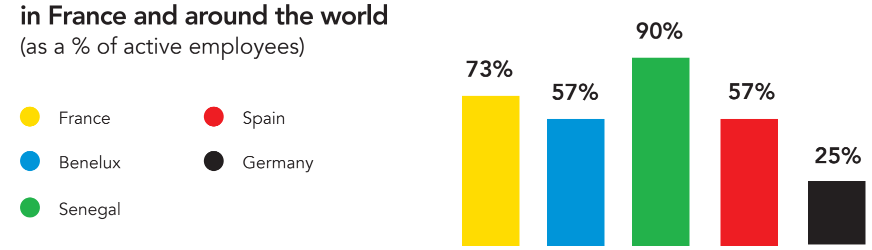
(in millions of euros)	2017	2018
Employee contribution	23.3	25.7
Eiffage advance	7.2	9
Incentive payments	19.4	19.5
Profit-sharing	22.1	22.7
Reinvestment	88	66.7
Total	**160**	**143.6**

For the past 29 years, becoming a shareholder has been a natural choice for Eiffage employees and has acted as the glue that binds us together. Eiffage, a trailblazer in this area and in France in particular, boasts a very high level of share ownership among its employees, reflecting our teams' trust and unwavering commitment to the Group. Over 700 messengers across all our units answer questions from our employee shareholders on a daily basis and help pass on our corporate culture to new employees.

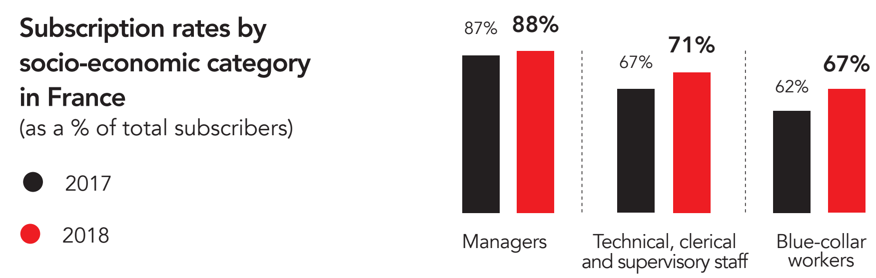
In 2018, 43,855 employees subscribed to the capital increase, representing 69% of eligible employees and a total investment of €143.6 million. Subscription rates increased across all our various professional categories, including tradespeople, employees, supervisors and managers. At 31 December 2018, over 70% of the Group's employees were shareholders and they owned 17.6% of its share capital.

Eiffage derives its distinctiveness and strength from its employee share ownership. It forms a key part of what makes us who we are, helps protect our independence and speaks volumes about the trust our employees place in us. For our customers and partners, it also provides a promise of engaged employees committed to the success of their projects.

2018 subscription rates among employees in France and around the world
(as a % of active employees)



Subscription rates by socio-economic category in France
(as a % of total subscribers)



Developing the solutions and services of the future

A compact and agile group

The balance between our contracting and concessions businesses means that our short-cycle and long-cycle businesses fit together well from a financial perspective, guaranteeing a high level of stability.

4 divisions, 8 business lines

Construction

Eiffage Construction
Eiffage Immobilier
Eiffage Aménagement

Our teams leverage all of their innovative abilities to bring to life the most complex projects and shape the future of urban development, property development, construction, maintenance and works and services. They work in close, long-term partnerships with all the stakeholders in the market and with clients from both the private and public sectors.

Châtenay-Malabry (France) — The LaVallée eco-neighbourhood

Infrastructure

Eiffage Route
Eiffage Génie Civil
Eiffage Métal

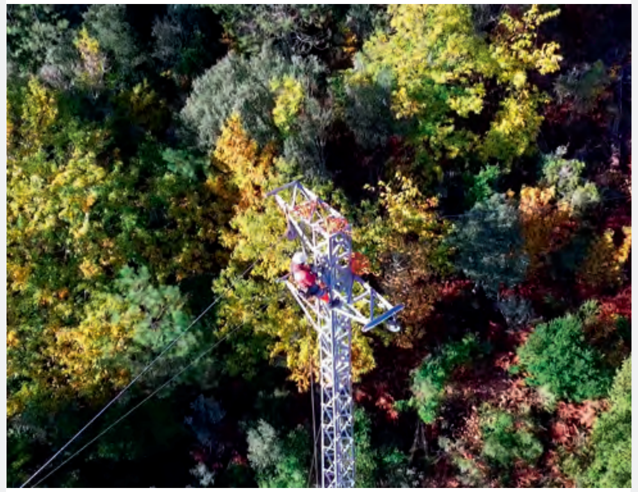
Our Infrastructure division possesses all the requisite skills to design and build onshore and offshore infrastructure. Its teams are also specialists in engineering and erecting building shells and metal structures, as well as rolling out multi-technical solutions for all the industrial sectors.

Rhineland-Palatinate (Germany) — The Hochmosel bridge

Energy Systems

Eiffage Énergie Systèmes

We are inventing a future with a more human perspective by facilitating the energy transition and inventing the energy of the future.
Our Energy Systems division designs, builds, operates and maintains sustainable electrical, industrial, HVAC and energy equipment and systems. Eiffage Énergie Systèmes has developed bespoke offerings for a range of markets including industry, networks and infrastructure, towns and local authorities, and the commercial sector.



Spain — Maintenance of Iberdrola power lines

Concessions

Eiffage Concessions
Motorway concessions in France

Concession operations involve developing new partnership models to benefit users. Our division specialises in operating motorway concessions and managing large infrastructure projects, public facilities, buildings and urban developments. The division finances, designs, builds, maintains and services structures. The motorway concessions in France operate motorways and toll structures under government-awarded concessions.

Dakar (Senegal) — Autoroute de l'Avenir (Motorway of the Future)

11,140

employees

1,023 recruitments in 2018

426 people hired on work-study programmes in 2018

Metz (France) —
This new 15,300 m² cultural complex and conference venue was delivered in 2018. It is the first conference centre in France to meet the HQE quality standards and was built by Eiffage Construction, which led a consortium responsible for designing, building, operating and maintaining the facility.

Eiffage Construction acquires Swiss company Priora AG

Eiffage Construction, already established in several European countries, strengthened its presence at the heart of Europe in 2018 by acquiring Priora AG, a leading construction company in German-speaking Switzerland. The company changed its name to Eiffage Suisse in January 2019 and has annual revenue of almost €340 million.

Construction

Harnessing all our resources to drive innovation

Our Construction division is still on course to reach its 2020 targets by leveraging the synergy between its business lines. Our ability to innovate and the commitment of our teams provide the driving force for this momentum. In 2018, the division's revenue grew 3.4% to €4 billion, 25% of which came from operations outside France.

€4 billion

in revenue in 2018

Order book of **€4.4 billion** at 31 December 2018

€155 million in operating profit on ordinary activities in 2018

The Construction division encompasses three of the Group's business lines – construction (both new-build and renovation projects), property development and urban development.

Improved results in a rapidly changing market

— Eiffage Construction has maintained its business volumes in a market where innovation is key. The division has constantly stayed one step ahead of market trends by adapting its services and providing greater support to its customers. We are expanding the range of ways in which we operate – now including design, build, operation and maintenance contracts, public-private partnerships as well as occasional maintenance and service interventions – to meet our customers' varied requirements.

In 2018, property development took advantage of favourable conditions for residential projects, created by persistently low interest rates and the extension of rental-related tax incentives. The number of reservations at year-end 2018 rose by 3.6% to 4,700.

The urban development business is also benefiting from the sweeping changes in the market. Private developers now tend to play a greater role in projects, but these are often set in motion by public-sector agencies under joint management arrangements. In 2018, Eiffage Aménagement won several regional contracts in France and strengthened its positions nationwide.

Innovation – the engine driving our development

— As part of our Group's innovation strategy, Eiffage Construction has digitised its processes. Our managers and technicians can now track worksite progress in real time using the Finalcad app, allowing them to simultaneously monitor several projects more easily and effectively.

The adoption of digital technology is also enabling more collaborative ways of working, such as Building Information Management (BIM) tools used at both the design and construction phases. In property development, we can now take buyers on virtual guided tours of their future properties. This helps us personalise our offering and better meet our customers' expectations.

Innovating also means thinking of new ways of building, for example by developing the dry process, new prefabricated concepts and progress towards sustainable cities.

Empowering our employees to fulfil their potential

— Our division harnesses the skills of its people to achieve its goals. That is why we provide career guidance to all our employees. We support them when they join us to ensure the induction process goes smoothly, and then throughout their careers in the Group by providing regular training, so they can hone their skills and develop their career.

Every employee is able to share their ideas through the Immo-Inno challenge on the housing of the future. These ideas are then brought together on the Eiffage Start.box platform. —

Eiffage Construction

Expanding the realms of possibility by building differently

21,600
housing units on order at year-end 2018, including 11,400 for renovation

Eiffage Construction's integrated all-round offering covers every stage of a project, from design through to construction and maintenance. We strengthened our Construction business in 2018.

Harnessing the full range of our business line's expertise to deliver made-to-measure solutions to our customers, we always pay close attention to the critical considerations of cost, deadlines and the environment.

Energy performance our key focus in housing

— Housing is Eiffage Construction's main market, accounting for 40% of revenue. We operate in new-build and renovation projects, on both vacant and occupied sites. Under our sustainable development policy, we have made energy performance a priority, and our in-house design office provides made-to-measure solutions.

For example, we are renovating 1,096 housing units in Versailles to meet the BBCER (*Bâtiment Basse Consommation Effinergie Rénovation*) seal of quality, awarded only to the most energy efficient buildings.

Present across all markets

— Eiffage Construction also operates in commercial markets, including large public and private health and education facilities as well as cultural and sporting infrastructure. In 2018, we delivered the Courlancy hospital in Reims, the Lucie-Aubrac high school in Courbevoie and a handball complex in Créteil.

We also play our part in protecting national heritage through our Pradeau Morin subsidiary, which renovates outstanding historic monuments such as the Hôtel du Palais in Biarritz and the La Samaritaine de Luxe building in Paris, where a five-star hotel project is taking shape.

Innovating to reconcile environmental protection with high performance

— As part of our policy of innovation, we are developing new construction methods enabling us to rise to the challenges posed by the environmental and digital transition. We use Building Information Management (BIM) systems for our projects and employ prefabricated solutions, such as HVA Concept bathrooms. Not only are these methods environmentally friendly, they also help to keep costs down and shorten lead times. To build up our business in the low-carbon segment, in 2018 we also acquired some of the assets of Charpentes Françaises, France's number one manufacturer of wooden structures. —

Major urban projects, a driver for our development

Major urban projects represent one of Eiffage Construction's key areas of expertise. Examples in Paris include the renovation of the Pascal tower blocks at La Défense and the renovation of the Gaîté area of the Montparnasse district.

La Défense (France) — Our teams completed the project to restructure the 44,000 m² office building that will now house the RTE headquarters, the Window building.

Eiffage Immobilier

A multi-faceted business

4,700
units reserved in 2018

Eiffage Immobilier, which boasts a very strong presence in the housing market, is also active in the commercial sector, urban retail developments, hotels and assisted living residences. Eiffage Immobilier performed well in 2018, generating €845 million in revenue.

In 2018, Eiffage Immobilier recorded 4,700 housing unit reservations and launched the marketing process for 5,205 units at over 80 property developments, making Eiffage one of France's leading property developers. Our multi-product approach, combined with a builder-developer model, made a crucial contribution to this performance. The Cocoon'Ages housing model, which features a diverse social and intergenerational approach, is a prime example of this. The first residence of this type was delivered in Aubagne in 2018.

Eiffage Immobilier also takes full advantage of the opportunities offered by progress in digital technology and the development of new services. As such, online reservations, virtual reality housing tours, concierge services and shared parking are now an integral part of our service offering.

Cementing our position across all our markets

— Uses and trends are evolving fast in both hotels and the commercial sector. To deliver the modularity, flexibility and reversibility that customers expect, Eiffage Immobilier offers new ways of using spaces and is among the most active developers in the commercial sector with over 370,000 m² of projects underway or in preparation, and 11 developments delivered in 2018. These include the Konect project in Saint-Ouen and the Front de Saône project in Lyon.

We also delivered almost 300 hotel rooms this year, including those at Mama Shelter in Toulouse, and have almost another 1,500 rooms under construction or at the financing stage.

Developing mixed-use projects for urban areas

— Mixed-use developments increase the services – such as housing, retail and restaurants – that a single building can house and are now an essential part of the urban fabric. Our multi-product approach enables us to build this mixed-use model into the large-scale developments we are involved in systematically, such as the Grand Paris projects and competitive tenders for innovative projects in large urban centres. That is how, in 2018, we won the contract for the real estate project adjacent to Aulnay sous-Bois station on line 16 of the Grand Paris Express project and for the future Joia Meridia district in Nice. —

Bordeaux (France) — Eiffage Immobilier delivered Halle Boca, a mixed-use building spanning 23,500 m² in the heart of the Euratlantique district.

Eiffage Immobilier, committed to protecting biodiversity

In 2018, we made a pledge to the International Biodiversity & Property Council (IBPC) to protect biodiversity and educate city dwellers about environmental issues. —

Eiffage Aménagement

Fostering urban regeneration for more sustainable cities

1,100,000 m²
under construction

Eiffage Aménagement, which has supported and guided local authorities for over 35 years, was very active in 2018, winning a number of contracts across France.

Joint development projects between the public and private sectors have helped to fuel growth in Eiffage Aménagement's business in recent years. For the first time in France, a Semop (a French public-private partnership with a single corporate purpose) was established to build the LaVallée eco-neighbourhood in Châtenay-Malabry, with joint governance arrangements between Eiffage Aménagement, the local authority and the French financial institution Caisse des Dépôts.

To cement its relationships with local authorities and share its expertise, Eiffage Aménagement has forged partnerships with several national and local trade organisations and served as joint chair of the RNA, a French association representing 800 private and public operators in urban development, since the beginning of 2018.

Operations expanding nationwide

— Eiffage Aménagement is built around a decentralised structure with ten regional departments. In 2018, this approach of focusing on local needs successfully won contracts for several projects across the country. For example, Eiffage Aménagement is set to build a new 35,000 m² district on the site of former Dehousse plants in Pau and Bizanos. It also acquired the 1.5-hectare Sofilo site in Reims to build a new district. Lastly, it was part of the consortium that won the bid to build the 57,000 m² Lizé district in Montigny-lès-Metz.

Planning ahead for the city of the future

— Working closely with the Sustainable Development and Transversal Innovation department and other divisions within the Group, Eiffage Aménagement has developed a vision of the city of the future. That helps it to provide its customers with new solutions geared to their changing habits and needs, while protecting the environment. For example, Eiffage Aménagement uses geothermal district heating networks in Châtenay-Malabry and biomass-powered networks in the Grand Canal district of Clamart. —

Phosphore City

In 2018, Eiffage Aménagement and the Group Sustainable Development and Transversal Innovation department launched Phosphore City to guide local authorities through their sustainable urban development challenges.

Clamart (France) —
Eiffage Aménagement is developing the Grand Canal district in Clamart, across an area of 90,000 m².

Projects

Cocoon'Ages, an intergenerational living concept that fosters community spirit

1st project delivered in 2018

19 projects underway

1,151 Cocoon'Ages homes under development

Eiffage Immobilier has joined forces with Récipro-Cité, a social engineering company that specialises in creating communities, to develop Cocoon'Ages, a novel intergenerational living concept.

The Cocoon'Ages concept is now a reality. In October 2018, the first Cocoon'Ages residence was delivered in Aubagne. Work has started on two new residential projects in Ivry-sur-Seine and Clermont-Ferrand, comprising 69 and 46 homes, respectively. Further plans are being developed to build a total of 1,151 additional Cocoon'Ages homes.

Cocoon'Ages is a concept that seeks to achieve social and generational diversity through specifically designed architecture, a range of services and activities for residents and a set of options such as shared gardens and apartments designed to adapt to residents' changing needs. The concept aims to address the issues presented by an ageing population and deteriorating social ties in society today.

The accessible and adaptable architecture of the Cocoon'Ages concept caters to the needs of senior citizens and vulnerable people in particular. Crucially, each Cocoon'Ages development has a facility manager whose role is to organise events and social activities, watch over residents and support community projects.

Cocoon'Ages is a turnkey package intended as a solution for local authorities looking to build a warm and friendly place to live, where different generations can take part in shared activities in a vibrant community. Eiffage plans to develop this integrated approach by working alongside its public-sector partners. —

Coocon'Ages —
Cocoon'Ages residences offer a range of options, such as shared gardens.

Specialities

Promoting low-carbon methods

90,000
tonnes of rubble reused in the LaVallée project in Châtenay-Malabry

To rise to environmental challenges and anticipate customer needs, Eiffage Construction is breaking new ground with new low-carbon construction methods and has decided to develop its use of the dry process in particular.

Eiffage Construction is able to offer its customers a genuine alternative to concrete by replacing it with wood – a low-carbon, 100% recyclable material. To develop wood-based construction, Eiffage Construction set up a Wood Engineering department almost a decade ago. In 2017, it established Eiffage Construction Bois, a centralised unit based in the Île-de-France region to meet demand for this booming market. In 2018, the division acquired some of the assets of Charpentes Françaises, a company specialised in industrial and traditional frames, Posi-Joist™ and wood-framed walls that will now operate under the Savare brand. Eiffage Construction, a founding member of the ADIVbois association, also embarked on a research and development partnership in wood-based construction with Piveteaubois and the CSTB (the scientific and technical centre for the French building trade) in 2018.

Developing new forms of low-carbon construction

— The dry process cannot be reduced to just wood-based construction. There are other ways of pursuing low-carbon construction. These include prefabricated solutions – from bathroom modules, to building cores incorporating vertical circulation systems, and even parts of the façade. These solutions also have the advantage of cutting costs and production times. Low-carbon construction also supports the circular economy. In Châtenay-Malabry, for example, all the aggregates used in the construction of the LaVallée project are recovered from demolished old buildings. Resource sharing is also part of our low-carbon strategy. The Noé logistics hub, which was inaugurated in Bordeaux in 2018, is France's first multi-work site shared services facility. It offers a unique combination of innovative practices, high environmental performance, traceability and support for the circular economy. —

Bordeaux (France) —
Apartments in the Hypérion tower went on sale in late 2018, and work started at the beginning of 2019. Hypérion will be France's tallest residential building with a wooden frame and façades when it is delivered in 2021.

Sensations in Strasbourg: a building with an entirely wood-based design

Eiffage Construction is currently building the Sensations project in Strasbourg. The 11-storey building features an entirely wood-based design, including the lift shafts and staircases.

International

Strengthening our position in Europe

25%
of Eiffage Construction's revenue was generated outside France in 2018

Already present in Belgium, Luxembourg and Poland, Eiffage Construction continues to expand across Europe by building on its strong local roots.

To consolidate its presence in Europe, Eiffage Construction acquired Priora AG, one of Switzerland's leading construction companies, in 2018. Priora AG has seven branches in the German-speaking part of the country and 170 employees. It has since been renamed Eiffage Suisse and is active in new-build and renovation projects, and also handles developments requiring financial engineering. In 2018, it recorded €290 million in orders, and its portfolio of 80 projects included Lindt's Home of Chocolate in Zurich (Switzerland). Working in synergy with all the Group's business lines and areas of expertise, the division plans to expand in French-speaking Switzerland, scale up its presence in public-private partnerships and set up a property development unit.

Diversified operations in the Benelux countries

— Eiffage Benelux's broad spectrum of operations throughout its 18 entities has given it a presence in numerous different markets across Belgium and Luxembourg. This dynamic approach is demonstrated by the construction, as part of a consortium, of the Ampsin ship lock (Wallonia region, Belgium) for almost €120 million, the construction of the future BNP Paribas Fortis headquarters spanning 100,000 m² and the launch of a new tranche of the GreenWood development of 500 housing units in Brussels.

Harnessing the Polish market's momentum

— The strategy implemented by Eiffage Polska Budownictwo in recent years has hit its growth targets, with new contracts to build housing and large-scale industrial facilities. These include the contracts that were secured in 2018 for the Browary residential development in Warsaw and for the 90,000 m² extension to a Mercedes plant in Jawor (Lower Silesia, Poland). Eiffage Polska Budownictwo also continues to build up its property development business. In 2018, it launched the marketing of its 80-apartment Dom przy Źródle residence in Krakow (Lesser-Poland, Poland). —

"After a few conversations with Priora AG's representatives, it rapidly became clear to us that we share a similar corporate culture and that our merger would strengthen both companies." —

Olivier Genis, Chairman of Eiffage Construction

Brussels (Belgium) — Eiffage is building BNP Paribas Fortis' new headquarters.

French Guiana (France) — Eiffage is building the Ariane 6 launch pad.

26,000

employees

5,679 recruitments in 2018

1,245 people hired on work-study programmes in 2018

Risk prevention – our top priority

Risk prevention remains the top priority for the Infrastructure division. In 2018, the equivalent of over 5 million working days were completed without any accidents and 63% of our offices achieved the ultimate zero accident goal. Such strong performance was made possible first and foremost by our employees, who are highly committed to improving safety. Indeed, they shared some 5,000 best practice ideas through the Safety Force© app, which measures the level of safety performance in real time across all the division's projects throughout the world.

Infrastructure

Three business lines to build the infrastructure of the future

The strength of its three business lines – road construction, civil engineering and metallic construction – has enabled the Infrastructure division to forge a place for itself as one of the leading companies supporting regional development and transformation. In 2018, the division grew significantly, both in France and around the world, as demonstrated by the 17% rise in revenue across all of its business lines.

€5.5 billion

in revenue in 2018

Over €6.3 billion in the order book at 31 December 2018

€151 million in operating profit on ordinary activities in 2018

Our three business lines are currently undergoing remarkable development. In road construction, operations were driven mainly by the work on the third call for projects for the reserved lane public transport systems and more generally by renewed public spending that started in 2017. In civil engineering, the Grand Paris development project stimulated a considerable level of activity. Eiffage Génie Civil is involved in work across the board, in particular on the Line 16, which will serve the venues of the 2024 Olympic Games.

In metallic construction, the offshore wind farm market once again boosted operations in Europe, where Eiffage Métal won a number of exciting contracts. One such example is the Beatrice wind farm project in Scotland. Led by Smulders, the project includes 84 wind turbines for a total installed capacity of 588 MW, providing enough electricity to power 470,000 homes.

International operations – a successful strategy

— Outside France, the redeployment strategy adopted in 2012 continues to prove effective. Revenue generated by the division around the world has risen by over 25% in 2018 and several significant projects have been won in Africa. In addition to the major maritime works carried out by Eiffage Génie Civil Marine, these projects guarantee a considerable volume of business for the division outside Europe over the coming years.

Developing through organic growth, acquisitions and innovations

— In 2018, the division's order book reached an all-time high, exceeding €6 billion. Business in France has been boosted by activity related to the Grand Paris Express project, which ramped up last year. Several external growth operations bolstered the division in strategic domains. In aggregate production, the acquisition of several quarries from the Migné group and Razel-Bec group has increased the division's total production by nearly 20%. In rail, the takeover completed in early 2019 of Meccoli, a company renowned for its expertise in major total track and ballast renewal projects that owns a considerable amount of machinery and equipment.

Two innovations developed by our teams, Microphone® – a cutting-edge noise-reducing coated aggregate – and Guid'N Grip – a solution for making accident-prone areas safe – were recognised by the CIRR committee in France's road innovation drive overseen by the national Institute for Roads, Streets and Mobility Infrastructure (Idrrim) and the Ministry for the Ecological and Inclusive Transition.

Furthermore, the T6 tram stations Viroflay-Rive-Droite and Rive-Gauche, designed by Atelier Schall and built by Eiffage Génie Civil, received an award from the American Concrete Institute, a leading international authority for research and development in concrete. —

Eiffage Route

Innovation and sustainable development – two major areas for growth

9%
revenue increase in France in 2018

Eiffage Route has structured its growth around innovation and developing a comprehensive offering that takes into account sustainable development considerations, safety and connected mobility. In 2018, Eiffage Route recorded a 9% increase in revenue generated in France.

Our operations are spread throughout the whole of France. The teams at Eiffage Route are involved in a great many projects for reserved lane public transport systems in Caen, Angers, Avignon and Biarritz. In addition, they are working in the Greater Paris region on the Massy-Évry tram-train and a bus rapid transit system in the mining area near Lens and Béthune in the Hauts-de-France region, which will be brought into service in spring 2019.

Innovating to build the roads of the future

— In addition to the thousands of interventions carried out each year, Eiffage Route is developing innovations on a number of projects, where trials conducted by its teams have caught the eye of our partners in the public sector. The Recytal® process makes it possible to substitute asphalt with plant-based material and regenerate the road surface using plant-based binders. It was rolled out in the Bordeaux and Hérault areas.

In Revin, we deployed our low energy Luciole® technology, recognised in 2017 by the CIRR committee in France's road innovation drive. It works by creating a synergy between a light-coloured road surface coating and smart street lights triggered by an automatic detection system to recognise the presence and speed of cars and pedestrians. The Luciole® system helps to reduce public lighting bills by 70% and brings down light pollution levels.

In road equipment, after having signed a partnership agreement in 2017 with OliKrom, a start-up based in Bordeaux, we used the photoluminescent paint LuminoKrom® – which improves road safety by producing the highest quality fluorescent and phosphorescent road surfaces – on three of our projects.

All these developments derive from our innovation and sustainable development policy that aims to offer our partners a comprehensive, high value-added offering. —

"Our strategy revolves around our ambition to become a key partner for the mobility of the future." —

Laurent Girou, Managing Director at Eiffage Route

Vendée and Deux-Sèvres (France) —
In 2018, Eiffage Route completed the phased acquisition of the quarries and contracting businesses of the Migné group.

Eiffage Génie Civil

Business boosted by the Grand Paris development project

30%
revenue increase in France in 2018

2018 was an exceptional year for Eiffage Génie Civil, driven in particular by the Grand Paris metro projects, which spanned from demolition to laying the track. Furthermore, the acquisition of Meccoli helped to strengthen our expertise in the rail industry.

All our professions are heavily involved in the Grand Paris development project. Almost all the Eiffage Génie Civil specialisations – including demolition, earthworks, foundations, underground works, engineering structures and track laying – were required in the Grand Paris metro projects in 2018, which boosted the business' revenue by over 30%. This large-scale project guarantees an intense level of activity for our business for the coming years.

We are working alongside the Société du Grand Paris, the SNCF and the RATP to extend the metro Line 14 to the north and south, the Créteil L'Échat to Bry-Villiers-Champigny section of the Line 15 south, several significant structures as part of the Eole project to extend the RER E line (Eole) and the Line 16 linking Saint-Ouen to Aulnay-sous-Bois and Le Bourget. This last package is the largest currently undertaken to build the immense new metro system, involving a 19-km tunnel and the construction of five stations that will be commissioned for the 2024 Olympic Games.

A tailored approach in mainland France and French Guiana

— In mainland France, we are adapting our structure and locations in order to concentrate on high value-added projects. In French Guiana, work continued on the major comprehensive construction project for the future Ariane 6 launch pad, led by Eiffage Génie Civil. The project is on schedule and is expected to be delivered to the National Centre for Space Studies (CNES) by end-2019.

Bolstered rail operations with the acquisition of Meccoli

— Developing the rail sector continues to represent a major growth driver, as demonstrated by the acquisition of Meccoli in early 2019. Founded in 1967, the company is based in Tours in the centre west of France and specialises in rail network maintenance and total renewal work, strengthening Eiffage Génie Civil's capabilities in this area. It represents a tremendous opportunity at a time when SNCF Réseau is conducting ever-more track renovation projects throughout the whole of France. —

Greater Paris (France) —
With the Grand Paris project, Eiffage Génie Civil is participating in the development of the future public transport network for the region.

"One of the biggest challenges we face is successfully completing all of our Grand Paris projects concurrently and on schedule." —

Xavier Mony, Managing Director at Eiffage Génie Civil

Eiffage Métal

A growing number of complex structures and additional industrial synergies

8
industrial sites in Europe

In 2018, in France and around the world, Eiffage Métal concentrated on its complex, large-scale and high value-added offshore wind energy and aerospace projects as well as the construction of engineering structures as part of infrastructure programmes.

Eiffage Métal grew its operations by over 5% in 2018, substantiating the effectiveness of its corporate strategy to specialise in complex projects. In France, the strategy is demonstrated by projects such as the Luma Foundation in Arles designed by Frank Gehry, the future head office of the newspaper group Le Monde in Paris designed by the Norwegian architects Snøhetta, and the "Statement Architecture" package for the 52 Champs-Élysées project, where a new Galeries Lafayette store designed by the Danish firm BIG (Bjarke Ingels Group) will open at the end of March 2019.

Cross-departmental collaboration at the heart of our operations

— We have stepped up our collaboration on engineering structure projects with Eiffage Génie Civil. Together, we have worked on infrastructure projects in Boulou, Saumur, Angers and Bezons, where we are building an engineering structure over a kilometre long as part of the Eole extension work to the RER E for SNCF Réseau.

Industrial operations are underway for EDF, Framatome, STMicroelectronics and Liebherr, Germany's leading construction equipment manufacturer, on behalf of which our teams at the Lauterbourg plant are producing elements for mining excavators. In Paris, we will be working to renovate the lift in the North Pillar of the Eiffel Tower until 2021.

Lastly, in French Guiana, the work on the future Ariane 6 launch pad will be completed by end-2019. This project has required input from the Eiffage Métal teams in France and Germany, who built the 7,000-tonne, 90-metre-high mobile service gantry and the launcher assembly building. This project demonstrates the heightened collaboration within our European industrial network, which is a major focus for our development. —

Arles (France) — Eiffage Métal built the Luma Foundation tower in Arles, designed by the architect Frank Gehry, as part of a consortium.

"Enhancing collaboration within our European industrial network is a major focus for boosting our performance." —

Antoine Bresolin, Managing Director at Eiffage Métal

International

Subsidiaries and export projects – a tried and tested approach

Outside France, the Infrastructure division is driven by its network of well-established subsidiaries and the major projects carried out alongside local companies. This strategy has proved successful, with the proportion of revenue generated overseas growing each year. It currently accounts for nearly 35% of the total business conducted by the division.

Tema (Ghana) — Eiffage designing and building a 97.6-hectare port platform.

In Europe, all our business lines are represented. In the UK, Eiffage Génie Civil has formed a consortium with the British company Kier to carry out the pre-project studies for the C2 and C3 packages of the future High Speed Two rail line running between London and Birmingham.

In Germany, road construction, civil engineering and rail operations managed by Eiffage Infra-Bau have taken advantage of favourable conditions. Work on the A94 motorway awarded as part of a public-private partnership continued in Bavaria and is scheduled to finish towards the end of 2019. SEH, a subsidiary of Eiffage Métal, is working on the construction of a number of engineering structures throughout the country, the most prominent of which is the cable-stayed Hochmosel Bridge in Rhineland-Palatinate, considered to be Germany's equivalent of the Millau viaduct. Work is scheduled for completion in 2019. SEH has also begun building the Kattwyk lift bridge at the port of Hamburg in Germany.

In Belgium, the Eiffage Métal subsidiary Smulders has maintained a high level of activity after achieving a record increase in 2017. Manufacturing substations, jacket foundations and transition pieces for major offshore wind farms in the UK, Germany and Belgium continues to boost revenue. Towards the end of 2018, the subsidiary won its most significant contract ever – worth over €250 million – to construct the jacket foundations for the Moray East wind farm off the north-east coast of Scotland (UK).

In Spain, Eiffage Métal, which has developed specialist expertise in onshore wind turbine towers, has upgraded its production units and opened a second plant. Through Eiffage Infraestructuras, Eiffage Route bounced back into growth territory following the country's sustained economic recovery.

Finally, in Monaco, Eiffage Génie Civil Marine is involved in the project to extend the Anse du Portier. We are levelling the underwater layer and maritime transport as well as immersing and ballasting the 18 caissons, weighing 11,000 tonnes each. The caissons will form the perimeter of this second extension in the Principality, which will add an extra 6.5 hectares of new land in the sea.

Global operations – a variety of projects

— Revenue generated by ICCI was stable, as the division's subsidiary in Canada focused on executing its ongoing projects, such as the rehabilitation of the Burlington Skyway in Ontario, to the highest standards.

In Colombia at the end of 2018, our Puentes y Torones subsidiary signed three major contracts for engineering structures, the most renowned being the project to design and carry out the reconstruction of the Chirajara cable-stay bridge around 100 km from Bogota.

Several projects were delivered in Africa in 2018. In Senegal, Eiffage has once again completed a range of exciting projects, including the TER regional rail line in Dakar. Work began in end-2016 and the line was partially inaugurated in mid-January 2019. Once completed, the TER will link the city centre of Dakar to the Blaise Diagne International Airport, located 47 km southeast of the capital. Work continues on the Tema Harbour in Ghana and the desalination plant in Doraleh, Djibouti. In Côte d'Ivoire, we have launched works to rehabilitate the Félix-Houphouët-Boigny bridge in Abidjan and build the Singrobo-Ahouaty dam.

Furthermore, along a 10-km stretch of coastline in Mauritania and Senegal, we will build the vessel mooring station for liquefied natural gas (LNG) carriers as part of a LNG production project. A floating liquefaction plant will also be built on the infrastructure, which will be protected by a breakwater. —

Outer Moray Firth (Scotland) —
Smulders has designed, built and installed the Beatrice offshore wind farm, which has a total capacity of 588 MW – providing enough energy to power 450,000 homes.

Spotlight on Goyer

A world of façades

670
employees

80,000 m² of production facilities in France and Poland

200,000 m² of façades per year

Goyer, the French leader in aluminium and glazed façades, excels in large and complex projects, such as the future headquarters of the Le Monde group, the Landscape renovation project and the restructuring of the Window building, which was completed in 2018.

Since 1931, Goyer has designed and installed glazed and aluminium façades by leveraging its high-performance manufacturing facilities and unique expertise. The company constantly innovates to deliver increasingly complex new-build and renovation projects to its private- and public-sector clients.

Unique expertise in commercial buildings

— Goyer takes part in major projects such as the renovation of the roof of the Grande Arche de La Défense, the construction of the Le Monde group's future headquarters in Paris, the development of the Bridge property complex in Issy-les-Moulineaux, the renovation of the Pascal towers, which will be linked together to form a new tower called Landscape at La Défense, as well as the development of the Orange campus in Lyon, Orange's future regional headquarters in Villeneuve d'Asq and the renovation of Silex² in Lyon.

These two projects are currently in progress and are due to be delivered in 2019 and 2020, respectively. In 2018, teams from Eiffage Construction, Goyer and Eiffage Énergie Systèmes completed a two-year project to restructure the Window building at La Défense. The office block, which was redesigned by Kohn Pedersen Fox Associates (KPF) and SRA, two highly prestigious architectural firms, was delivered in September. The project included the complete overhaul of the seven-floor, 150 m-long building that has a total floor space of 44,000 m².

Goyer also operates in Poland via its Defor subsidiary, which has a production facility based in Poznań in the west of the country. Defor is currently working on the two highest towers in The Warsaw Hub office complex in Warsaw, which will have close to 40,000 m² of floor space. It is the largest project in the company's history. Defor is also involved in work on the Hi Piotrkiwska 155 office buildings in Lodz, and the Browary Warszawskie and Generation Park projects in Warsaw.

In addition, Defor was recognised in 2018 as the "leader in Poland's aluminium joinery market". —

Issy-les-Moulineaux (France) — The Bridge project consists in building a property complex mainly containing office space. Surface area of the façades: 30,112 m².

27,770
employees

4,995 recruitments in 2018

1,524 people hired on work-study programmes in 2018

Nantes (France) — Cheminant's greenhouse has been fitted with LED grow lights to boost cucumbers production by over 30%.

Eiffage Énergie Systèmes reaches out to its customers

In December 2018, we presented our strategy and our new brands to an audience of close to 800 people, including 500 of our customers, at the Carreau du Temple in Paris. Our teams designed a tablet-based digital catalogue of 400 key projects to showcase the breadth of our offering and expertise. This landmark event focused on facilitating communication and building stronger relationships. It was an opportunity to present to customers the diversity of the division's skills and specialities and highlight its integration capabilities.

Energy Systems

Injecting ingenuity into customers' business

We develop made-to-measure solutions for industry, infrastructure and networks, cities and local authorities, and the commercial sector. We embrace progress and pursue innovation, constantly refreshing our offerings to deliver low-carbon sustainable solutions across the full spectrum of needs. Our approach has proved successful, powering a 10% increase in the Energy Systems division's revenue, generating €4.16 billion in 2018.

€4.2 billion
in revenue in 2018

Order book of **€3.2 billion** at 31 December 2018

€182 million in operating profit on ordinary activities in 2018

Our strength derives from a combination of our dense geographical coverage and our cutting-edge expertise in the energy systems business that is geared to serve a variety of industries. The Energy Systems division caters to the needs of various sectors – including heavy industry, construction, transport infrastructure and telecoms networks. We are involved in every stage of a project, from design through to maintenance.

Clear customer focus

— The Energy Systems division has put in place a division-wide organisational and operational approach built around customer-focused priorities encompassing all the division's skills. It draws on a vast range of existing expertise and a detailed analysis of our customers' needs and expectations. These priorities have been firmly established and represent the main driver of the division's development.

This segmentation of our expertise and our solutions facilitates communication with our customers and adds to the calibre of our local operations. It also helps us to constantly refine our areas of expertise, so that we deliver even greater added value. Customers benefit from our clearer offering and operational organisation, which is specifically tailored to meeting their requests and their needs.

Brands with a growing level of expertise

— To support this segmentation, Eiffage Énergie Systèmes has opted to roll out a set of dedicated brands for each market in order to raise the profile of its solutions. Alongside the Clemessy and Expercité brands serving industry and cities and local authorities, respectively, Dorsalys specialises in infrastructure and networks, and Terceo caters to the commercial sector.

The division has always had dedicated brands for specific areas of expertise or niche technologies. Brands such as Secauto for industrial analysis and Barep for valve repairs are already very familiar to our customers. The Energy Systems division created the Clévia brand along the same lines – to consolidate its position as the third largest provider of energy and HVAC engineering in France. —

Clemessy, the industry brand

80,000
hours of work, including 25,000 hours of design work, to build the B-Line workshop

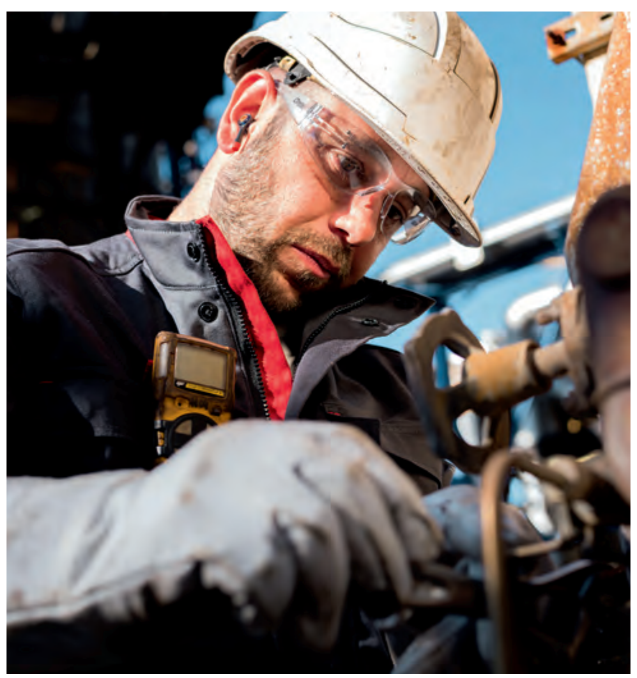
Clemessy works alongside industrial companies to assist with a range of activities spanning audit, design, integration, execution, commissioning and maintenance. Our specialists provide support and guidance for infrastructure, utilities and processes across all industrial sectors.

In France and around the world, Clemessy works with customers in the most demanding industries, such as nuclear, aviation, aerospace, automotive, pharmaceuticals, petrochemicals, agrifood, metalworking and energy. We help them by upgrading their plants, enhancing their systems and designing and building their machinery and production lines.

Performance and precision for the aerospace sector

— In the aerospace sector, our teams are building the B-Line production unit at the ArianeGroup site near Bordeaux. The unit will produce booster nozzles for the future Ariane 6 launch vehicle. The 1,600 m² facility is divided into four zones, in line with lean management principles, to deliver the highest possible level of operational performance. Assembly, surface treatment, filament winding and bonding will be performed in the production unit using powerful robotic systems. They were originally developed for use in the automotive sector, but have been adapted to complete certain tasks requiring precision levels measured in tenths of a millimetre.

Donges (France) — One of our technicians carrying out maintenance work at the Total refinery.



Renowned expertise spanning multiple sectors

— In petrochemicals, we achieved considerable success in 2018, completing several scheduled maintenance shutdowns of production units and pressing ahead with the contract for Total's Donges refinery.

Our cutting-edge expertise in other industrial sectors is also well-known. For example, Dynae, our specialist subsidiary in vibratory analysis and thermography, was awarded a contract by the fishing company Sapmer to assess the propulsion systems of its four new tuna vessels.

And as part of the modernisation of its Lebbeke plant in Belgium, gingerbread manufacturer Vondelmolen brought in Hyline, our subsidiary specialised in fluid distribution networks, to extend its production lines and install new storage tanks. In addition to increasing production capacity, the renovation of the plant will reduce the wastage of raw materials, ease the physical stresses and strains on employees and enhance logistics by making loading and unloading processes smoother. —

Dorsalys, the infrastructure and networks brand

Dorsalys combines all the specific expertise that Eiffage Énergie Systèmes makes available for transport infrastructure and network operators to bring people and regions closer together.

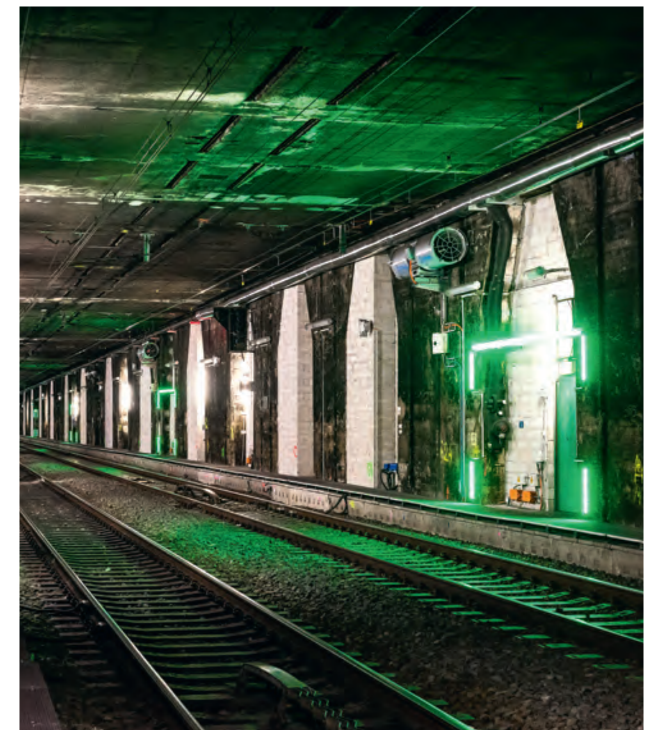
Dorsalys' mission is three-fold. Firstly, it brings people and regions together by renovating, modernising and improving the safety of large transport infrastructure. Secondly, its power transmission and distribution activities make energy available as widely as possible. And lastly, it designs and rolls out telecoms networks for operators, manufacturers and local authorities.

In 2018, Dorsalys won several contracts thanks to its ability to combine local geographical coverage with technical excellence, as demonstrated by its involvement in the vast Bretagne-Pays de la Loire high-speed rail project, which gave the brand the opportunity to acquire significant experience in the railway industry. This enabled Dorsalys to secure three tram line extension contracts in Nantes and Angers.

Data centres, networks and telecommunications

— In 2018, our teams built an 800 m² data centre comprising several rooms on behalf of MBDA, a leading defence equipment designer and manufacturer. They are now primed for another challenge set by Colt Technology Services, which has ordered a 2,000 m² data centre in Les Ulis with a very tight deadline of ten months, requiring meticulous planning. The data centre market, which has been growing at a rate of 12% every year in France, continues to make rapid headway.

Lastly, Orange again placed its trust in our services, awarding us a contract to design and install 800,000 Fibre to the Home (FTTH) optical sockets across France as part of its programme to accelerate the roll-out of fibre optics. Design began in late 2018 before work started in early 2019. This contract led us to hire and train 400 employees, which represents a major challenge for our teams. —



Brussels (Belgium) —
Our teams have renovated the ventilation and associated control systems at the North South Railway Junction.

Dorsalys, an integrated telecoms infrastructure specialist

We are able to mobilise the people, equipment and technology needed throughout France to meet the stringent requirements of telecoms projects. Our telecoms design office employs over 200 people.

Energy Systems

Expercité, the brand for cities and local authorities

Mia, which entered into service in March 2019, operates:

a **1.2** km route
6 stops
a capacity of **15** passengers

In today's world, as well as being smart, urban areas need to be intuitive. This means that they must share information simply and immediately to make daily life easier for the people who live there. To meet these challenges, Expercité broke ground in 2018 by developing new solutions.

Expercité — The Expercité integrated automation system coordinates all existing equipment to manage urban services more efficiently.

Expercité manages the most widespread infrastructure in urban areas, such as lighting, traffic lights and CCTV. It won an array of contracts in 2018, including in particular a number of energy performance contracts (EPCs) to maintain and service public lighting, traffic lights and illuminations. We secured contracts with the French towns of Lédénon, Nanterre and Noisiel.

Lastly, under our 15-year public-private partnership (PPP) with the town of Bruay-sur-l'Escaut, we continued to renovate the public lighting system, enhance heritage buildings and make improvements to the CCTV system.

Innovation and the sustainable city

— Urban areas can now manage all their infrastructure via a single high performance and easy-to-use graphical interface thanks to Expercité's integrated automation system for local authorities. The completely modular solution centralises data, models multiple different scenarios, stores past data, plots charts and produces statistics and decision-support tools. It can also pool and centralise all data to optimise management of the services provided to users. A dedicated showroom has opened up in Montpellier, southern France, to present the integrated automation system.

Expercité also supports emerging forms of urban mobility. Our teams, working closely alongside operator Berthelet, the Lyon metropolitan authority, Serl and Sytral, have designed Mia, the first free-of-charge autonomous shuttle travelling on the open road in a built-up area. Mia operates in eastern Lyon, enabling people to use public transport to complete the last section of their journey between the Gaulnes development zone and the tram terminus. —

Energy Systems

Terceo, the commercial sector brand

The Medical Biology unit in Vandœuvre-lès-Nancy in numbers:

2-year project
35,000 hours of work

Terceo's mission is to make commercial buildings more innovative, efficient and connected – thereby making the daily lives of their occupants easier. Terceo caters to an extremely broad range of buildings, including offices, luxury hotels, and also sports and cultural facilities.

In 2018, we were also very active in healthcare. The sector lies at the very heart of Terceo's offering, with a new digital and technology-based solution for hospitals. The brand is also in the process of rolling out an integrated building automation system at Nantes hospital's future functional physical medicine and rehabilitation centre. Work began in June 2018. With the innovative new system, the building's technicians and healthcare staff will be able to control all the equipment they use day-to-day via digital devices, such as tablets and smartphones. Patients will also be able to use the system to easily adjust their surroundings (lights, shutters and TV remote control), bringing greater well-being at the tap of a screen to all.

The year also saw us complete the restructuring of the Vandœuvre-lès-Nancy Medical Biology unit alongside Eiffage's Construction and Concessions divisions. In Spain, we acquired the company Electromedical to strengthen our presence in medical equipment maintenance.

Local, multi-technical maintenance

— As a maintenance provider, we need to be able to respond everywhere, at any time of day or night. Our dense geographical coverage is what enables us to do this, and we build relationships of trust with our customers through our local roots. Each year, we hone our specialist skills even further through the experience gained and constantly add new services and solutions. —

Clévia, the brand for HVAC and energy engineering

To consolidate our number three position in France's HVAC and energy engineering sector, we created Clévia, a new brand encompassing our heating, ventilation and air conditioning and smoke extraction, plumbing, industrial heating, and special and industrial fluids business lines. In 2018, our teams completed a significant portion of the HVAC engineering work for the Citéco project in Paris, which is located in the Hôtel Gaillard, a national heritage site built in the 19th century.

Paris (France) — A customised HVAC project that seamlessly integrates our networks into a heritage site.

International

Considerable international momentum

Nearly

2 GW

in photovoltaic capacity installed worldwide by Eiffage Énergie Systèmes

For the first time ever, Eiffage Énergie Systèmes exceeded the €1 billion mark in revenue generated outside France in 2018. A large part of this growth was driven by our major renewable energy projects, some of which are presented below.

Galli, Eiffage Énergie Systèmes' Italian subsidiary, consolidated its presence in the commercial market. In Milan, it handled the electrical engineering work on an office building via Cernaia for Covivio, a leading European real estate company. It also won a similar contract for The Sign office project.

In Belgium, our VSE subsidiary, which specialises in the design, analysis, implementation and maintenance of electromechanical installations for the infrastructure sector, successfully renewed all its maintenance, renovation, lighting and security contracts for the various installations in the Brussels metro system. VSE is also responsible for upgrading and extending the traffic light system installations in Brussels. Furthermore, our local teams are involved in renovating, operating and maintaining several tunnels.

In Germany, our NAT subsidiary has continued to develop, especially in the automotive sector. We also acquired U.Beenck to strengthen our local coverage in the Hamburg region.

JJTomé, our local subsidiary **in Portugal,** sealed contracts for engineering work at Lisbon's largest hospital. It also delivered the Nova School of Business and Economics project in the Portuguese capital.

In the Netherlands, we acquired Kropman, a specialist in mechanical and electrical engineering and contamination control. It has performed very well since the purchase in early 2018, winning several projects for Produlab Pharma and Kite Pharma, two major pharmaceutical companies. Lastly, spearheading Eiffage Énergie Systèmes' development across Europe and around the world, Eiffage Energía in Spain became Iberdrola's preferred maintenance partner for its medium and low voltage grid in 2018.

International — In February 2018, acquisition of the company Kropman specialised in mechanical and electrical engineering and contamination control.

Huatacondo (Chile) —
In 2018, our teams completed work on the 103 MWp Huatacondo photovoltaic power plant.

Renewable energy, the driving force behind our international expansion

— **Outside Europe,** two main specialities – power transmission and distribution and renewable energy – are driving Eiffage Énergie Systèmes' growth. In power transmission and distribution, the teams at RMT, our subsidiary in Germany, were entrusted with restructuring and extending the low- and high-voltage grids of Abomey-Calavi and the Atlantique department in the south of Benin. This new project will connect an additional 37,000 users to the grid.

In Côte d'Ivoire, we won a contract package to restructure the high-voltage grids in seven districts of Abidjan.

In Senegal, we completed extension work on a 225 KV electricity ring between Fatick and Kaolack in the west of the country for Senelec, Senegal's national electricity company. In renewable energy, we delivered the Ten Merina solar power plant in the suburbs of Dakar, the Senegalese capital, in early 2018. This 30 MWp plant will cover the annual electricity consumption of 200,000 people. Our teams also started work on a wind farm with 46 turbines in Taïba. The project, which will take close to two years to complete, encompasses civil engineering work, the construction of a 225 KV sub-station, a medium-voltage grid and telecoms network, testing and commissioning.

In 2018 **in South America,** our Spanish subsidiary completed work on the 103 MWp Huatacondo photovoltaic power plant in northern Chile. Lastly, our teams in the Caribbean are in charge of building the 51.5 MWp Paradise Park photovoltaic facility in Jamaica in partnership with Schneider Electric France on behalf of Neoen, France's leading independent producer of renewable energy. Eiffage Energía holds a 20-year contract to service and maintain the facility. —

4,260
employees

650 employees assigned to our concessions and public-private partnerships

3,610 employees assigned to our motorway concessions in France

Aix-Marseille (France) — In late 2018, Eiffage Concessions delivered the Cœur de Campus building – known as "Le Cube" – to Aix-Marseille University, which has been transformed into a social, cultural and educational space.

Concessions

Sustainable partnerships built on trust

The Concessions division reported overall growth of 5.6%, generating revenue of almost €2.9 billion in 2018. This strong performance was driven by increased business from motorway concessions. APRR contributed €2.5 billion, with €159 million from other motorway concessions. This growth was also underpinned by concessions and public-private partnerships, which generated €183 million in revenue over the year.

€2.9 billion
in revenue in 2018

€1,404 million in operating profit on ordinary activities in 2018

In Concessions, we provide a seamless and integrated range of solutions stretching from the legal and financial engineering of contracts through to the design, maintenance and operation of infrastructure. To help pave the way for long-term partnerships, we build infrastructure in conjunction with public-sector agencies. Our operations span a wide array of general interest areas, including events, culture, sports, energy, education, safety and security, health and transport.

In 2018, the Pierre-Mauroy Stadium hosted numerous shows and sporting events, including the semi-finals and the final of the Davis Cup.

This year, we also delivered two major projects as part of the Campus programme, launched by the public authorities in 2008. This vast property renovation programme of French university facilities aims to upgrade the campuses to the highest international standards.

Major university campus upgrades

— In October 2018, Eiffage Concessions delivered the Medical Biology unit at Vandœuvre-lès-Nancy. This multi-disciplinary complex located on the Brabois-Santé campus houses the pharmacy and dentistry faculties, teaching rooms and numerous administrative offices. It consists of two simple buildings linked together by a 20m-long metal walkway overlooking a vast piazza, which forms a gateway to the campus. An 850-space car park was also built nearby. The complex is the final element to be delivered under a 2016 partnership agreement with the University of Lorraine worth a total of €74.6 million. The public-private partnership also includes the maintenance of the buildings for a 25-year period.

Since 2017, we have been gradually completing the phased delivery of the Aix-Marseille university campus in Aix-en-Provence, a project we were awarded back in 2014. The €109-million contract covers maintenance of the facilities for 28 years. The project included the construction of a car park, two restaurants and a childcare facility, the modernisation of the law library, the renovation of the arts and humanities building as well as the development of the rose garden and a new building – Cœur de Campus – that was handed over in late 2018.

Motorway concessions: major investments and projects in the pipeline

— Eiffage operates 2,571 km of motorways, including 2,465 km in France via the APRR and AREA networks, A'liénor (A65), Adélac (A41), the Millau viaduct and the Prado-Carénage and Prado Sud tunnels (through minority shareholdings) in Marseille.

The APRR network and the A65 motorway recorded traffic growth of 2.2% and 3.3% in 2018, respectively. In addition, the approval of France's new motorway investment plan in 2018 raises the prospect of new projects and investments in 2019.

A strengthened international presence

— Eiffage is currently building the 77 km-long A94 motorway in Bavaria (Germany). It secured the project under a partnership agreement in 2016 via a special purpose vehicle in which it owns a 33.33% stake. The operations and maintenance teams have been sent in to prepare for the motorway's scheduled entry into service at the end of the year.

Eiffage Concessions also has a presence in Dakar (Senegal) with the 42 km-long Autoroute de l'Avenir motorway. Senac SA, our Senegalese subsidiary entrusted with operating the motorway, is the first Group unit to have secured ISO 45001:2018 certification, which is awarded to companies demonstrating the highest level of occupational health and safety standards. —

Acquisition of a 5.03% interest in Getlink

In December 2018, Eiffage acquired a 5.03% stake in Getlink, which holds the Channel tunnel concession until 2086. This investment totalled €307.5 million. Eiffage intends to remain an investor in Getlink for many years to come. The deal fits with Eiffage's strategy of diversifying its concessions portfolio, which already contains a number of investments in transport infrastructure operators in Europe, and extending its maturity.

Rail maintenance

Opere, the subsidiary maintaining the BPL high-speed rail line

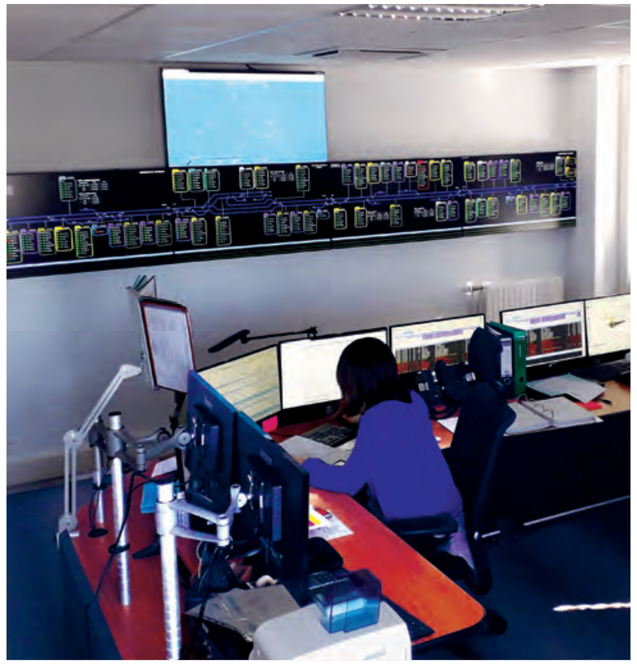
Since the Bretagne-Pays de la Loire high-speed rail line was delivered on 15 May 2017, teams from our Opere subsidiary have carried out maintenance on the infrastructure to ensure that it meets the contractually agreed standards for performance and availability.

Highly ambitious environmental and sustainable development strategy tailored to the context and the regions concerned was put in place for the Bretagne-Pays de la Loire high-speed rail line. The measures taken to mitigate the project's impact included noise reduction systems (6.1 km of acoustic screens and 17.5 km of acoustic barriers). At the request of local residents, an additional acoustic survey was carried out at 141 points along the line in 2018. The results demonstrated that the high-speed rail line complies with the noise standards in force. Additional measures geared to the site's specific configuration were introduced at a single location in the Mayenne department. Eiffage Rail Express, the contracting authority, implemented and covered the cost of these measures.

High-level social, environmental and service standards

— No major situations or environmental incidents have disrupted operations since the line entered service. Operators have been educated about waste management, pollution prevention and the moderate use of chemical products. As part of the application of the ISO 9001/14001 standard at Opere, eight indicators were selected to track environmental management in the operational phase.

Opere also gained ISO 9001:2015 accreditation in mid-December. This standard lays down the requirements for implementing a quality management system for companies seeking to improve their customer satisfaction. —



BPL high-speed rail line — In 2018, 28,634 trains ran on the line and travelled close to 3,800,000 km with a punctuality rate of 99.5%.

Project

The Reims arena: an entertainment venue firmly rooted in the local area

€75 million
investment

25-year agreement

9,000 seating capacity

150 people working on the construction project

In September 2018, the Reims local authorities awarded a contract to Eiffage Concessions to build a large arena in the city. Construction began in 2019 and the facility, which will boost the city's profile, is scheduled for delivery in late 2021.

In addition to construction of the arena, the project includes renovating the conference centre and restructuring the exhibition centre, both of which are located on the same site. The arena is designed to host large-scale events, such as sporting competitions, ice shows and concerts. Various configurations are possible for large events, with the arena's seating capacity rising to over 9,000, without compromising on the spectator experience. The contract will run for 25 years and represents a total investment of over €75 million. As in all its large-scale building projects, Eiffage Concessions will ensure the arena fits seamlessly within its architectural and natural surroundings.

The renovated conference centre will be delivered in October 2019, the redeveloped exhibition centre in February 2021 and the arena in October 2021. —

Reims (France) — The Reims local authorities awarded Eiffage Concessions with the contract to build a large arena in the city.

Motorway concessions in France

Investing to design the motorway of the future

In 2018, our motorway concessions in France generated revenue of €2.7 billion. We recorded an increase in our overall traffic and made substantial investments to further enhance the quality of service we provide to our customers.

€2.7 billion
in revenue in 2018

3,500 employees

24.3 billion km travelled on the APRR and AREA networks

CITO 30 — Savings of 30% on regular journeys.

In 2018, Eiffage continued to develop the motorway networks – 2,465 km in total across France – it has been awarded under State concessions. Our motorway concessions in France include the APRR and AREA networks, A'liénor – the A65 motorway between Pau and Langon – and the Millau viaduct.

Momentum powered by major investments

— The APRR group's performance was broadly positive in 2018. Motorway traffic rose by 2.2%, which translated into a revenue increase of 4.7% compared with 2017. It also kept costs under tight control.

From a network development perspective, APRR and AREA brought into service the strategic 5.5 km A89-A6 connection north of Lyon, the final link in the Trans-European motorway corridor between Bordeaux in France and Geneva in Switzerland. In the Belfort area, two other major projects on the A36 opened to traffic – the northern partial interchange with the D437 in September and the N19 interchange in December. This new infrastructure will help keep traffic flowing and improve road safety in the Belfort-Montbéliard-Héricourt-Delle metropolitan area.

Close to €200 million will be invested under France's new motorway investment plan, which was published by decree in late 2018. It aims to rapidly grow the number of parking spaces dedicated to car-pooling from 4,000 to 6,000 and build around 20 wildlife crossings. Other projects are to be accelerated, including the construction of a new interchange at Chalon-sur-Saône on the A6 and at Quincieux on the A46 north of Lyon. A further €550 million was also earmarked in 2019 to complete the A36 and RN1019 interchanges in Belfort, the A406/RCEA (Central Europe Atlantic Road) in Mâcon and widen the A6 in Auxerre. APRR and AREA will continue to work on the other major stimulus plan and ongoing management plan projects, including the A480 in Grenoble, the A41 North in Annecy, the A75 in Clermont-Ferrand, the A71/RCEA interchange in Montmarault and the A43/high-speed urban road interchange in Chambéry.

A'liénor's finances strengthened

— A'liénor, which operates the A65 Pau-Langon motorway, successfully refinanced its debt in 2018. It arranged a ten-year €825 million loan to replace the existing debt due for repayment in January 2020 in a move that has strengthened its financial structure.

Millau viaduct opened up to the public

— In 2018, the Viaduc Expo information centre and its guided tours of the site celebrated the first anniversary of their opening. The new museum centre had attracted 169,000 visitors who had stopped off at the Millau viaduct rest area. In all, 14,000 people also went on a guided tour informing them about all the various aspects of the stunning work of engineering and taking them close to the deck of the bridge. Viaduc Expo plans further additions in 2019 to enhance the experience for visitors to the Millau viaduct rest area.

Continuing our digital transformation

— The digitisation of our motorway concessions is making progress with the roll-out of the Numa (digital motorways) transformation project. It aims to digitise even more of our processes to help traffic flow more smoothly and safely on our motorways. By the end of 2018, over 50% of the APRR group's business processes had been digitised, and it aims to reach the 60% mark in 2019. The roll-out of the Numa project will be extended to the Millau viaduct and the A65 in 2019.

Using a new mobile app, APRR's teams are able to maintain toll equipment without any paper documents. This enables them to respond more quickly when issues occur. In addition, another app has been created to gather information and data in real time about the accidents that occur on the networks. Here, too, the goal is to intervene more efficiently so we can get traffic moving again safely.

Motorists were already able to travel freely on motorways in France, Spain and Portugal using the topEurop electronic toll tag and, in 2018, APRR and AREA added Italy to that list of countries. APRR and AREA also launched Cito 30, another lower-cost plan, in late 2018 to meet demand from regular users of a motorway network. They can now save 30% on the cost of their daily journeys. The plan has also been extended to Adelac and A'liénor. —

Cross-company projects

Line 16 of the Grand Paris Express project

19 km
of tunnels

6 tunnel boring machines

5 stations

700,000 m[3] of concrete

2,600,000 m[3] of land excavated

PROJECT COSTING CLOSE TO €2 BILLION

Eiffage is handling Package 1 for line 16 of the Grand Paris Express project, which is the biggest package of the new network. The new section will link line 16 to line 14 and includes the first few kilometres of line 17 and the eastern stretch of line 15.

Complementary expertise within the Group:

- Eiffage Génie Civil
- Eiffage Rail

Target: Paris 2024

The line is due to be commissioned in time for the 2024 Olympic Games in Paris.

Cross-company projects

Ariane 6 launch complex
Kourou (French Guiana)

One of the world's largest mobile metal structures

90 m

tall

7,000-tonne frame

PROJECT TO BE DELIVERED SHORTLY

At the site of the Ariane 6 launch complex infrastructure project, work on the launch pad and its two flame trenches is almost complete. Delivery is scheduled for autumn 2019.
The launcher assembly building was handed over to the equipment vendors in autumn 2018.

Complementary expertise within the Group:

- Eiffage Génie Civil
- Eiffage Métal
- Eiffage Énergie Systèmes
- Eiffage Route

A European response

Eiffage was able to meet the CNES' requirements with an integrated offering by harnessing its units across Europe.

Cross-company projects

A48/A480
Grenoble (France)

A major motorway development project

14 km

of urban motorway development

Dual triple-carriageway over 7 km

7 km of road upgraded to motorway standards

SAFE AND FREE FLOWING

Substantial safety work was carried out ahead of the planned project to widen the A480 between Saint-Egrève and the Rondeau interchange, near Grenoble.

Complementary expertise within the Group:

- AREA (lead contractor)
- Eiffage Route
- Eiffage Génie Civil

Servicing and improving our networks
The project enhances traffic flows while improving safety and providing new forms of mobility such as low-impact transport, car-sharing, reserved lanes, etc.

Cross-company projects

Extension of the container terminal
Port of Freetown (Sierra Leone)

Design and build project

270 m

of docks to a depth of 13 m

3.5 hectares reclaimed from the sea

ONE OF THREE PROJECTS IN AFRICA FOR BOLLORÉ

The platform surface and power plant were built by the Group's teams and delivered in 2018.

Complementary expertise within the Group:

- Eiffage Génie Civil
- Eiffage Énergie Systèmes

Prestigious maritime partners
Several projects were delivered involving the extension and quayside surfaces at the Port of Lomé in Togo. Other projects are underway in Africa, such as the Tema port platform in Ghana and the marine infrastructure for a BP gas terminal off the coast of Mauritania and Senegal.

Cross-company projects

Grand Hôtel-Dieu
Lyon (France)

Renovation of the Grand Hôtel-Dieu

40,000 m²

of façades retaining period features

11,500 m² of wooden flooring

15,000 m² of roofing restored

PAST AND PRESENT IN HARMONY

At its height, over 1,000 tradespeople were working on the project to renovate the Grand Hôtel-Dieu in Lyon, the largest privately-funded conversion of a historical monument in France.

Complementary expertise within the Group:

- Eiffage Immobilier
- Eiffage Construction
- Eiffage Énergie Systèmes

The story continues

The project's dual nature – both ambitious and respectful of the site's historical significance – was implemented by committed and passionate participants, and has won universal acclaim.

Innovating to create a sustainable future

Innovation and sustainable development

With climate change now a tangible reality, and worldwide demand for sustainable and resilient cities and infrastructure, Eiffage sees low-carbon construction as an opportunity to make the difference.

Benoît de Ruffray,
Chairman and Chief Executive Officer

"Eiffage sees low-carbon construction as an opportunity to make the difference." —

Valérie David,
Head of Sustainable Development and Transversal Innovation

"Our sustainable development policy is built around seven inextricably linked pillars, which together form a coherent whole."

We have made the ecological transition and innovation two key drivers of our strategic plan. That's why our innovation policy and R&D investments are geared towards the low-carbon economy. We aim to reduce total emissions across our businesses' entire value chain. To bring this about, we need to take the lead by reducing our own emissions significantly. As a construction company, our role is also to help our customers cut their own emissions by introducing our low-carbon solutions wherever possible, in line with our strategy and our values.

To speed up implementation of these solutions, even ahead of calls for tenders, we have established special financing mechanisms. Every year we allocate €2 million to E-Face, a fund that covers the cost differential between conventional solutions and more environmentally friendly alternatives. Similarly, the Seed'Innov fund aims to support all the Group's low-carbon innovations, from the initial R&D stage and trials through to their introduction on the market.

Our teams have now fully embraced this approach and act as front-line advocates of our low-carbon solutions on a daily basis. In 2018, we reached a major milestone in terms of awareness of what is at stake and buy-in to these programmes on the ground. Our approach is now mature enough to implement a low-carbon strategy on a large scale and seize all opportunities for innovation in this area so it can make the difference and deliver shared sustainable development. —

€2 million

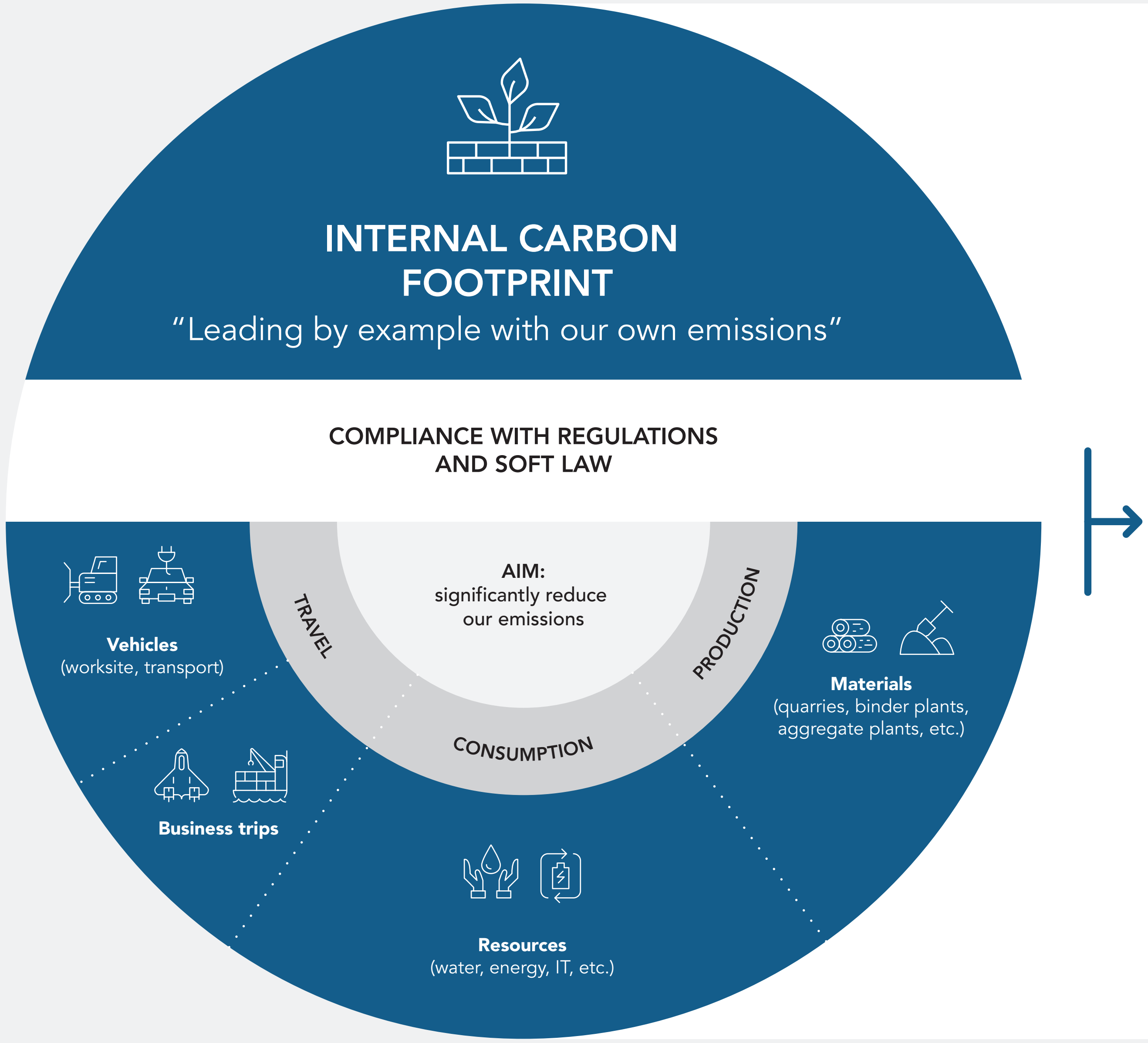
allocated annually to E-Face, a fund set up to develop Eiffage's low-carbon solutions

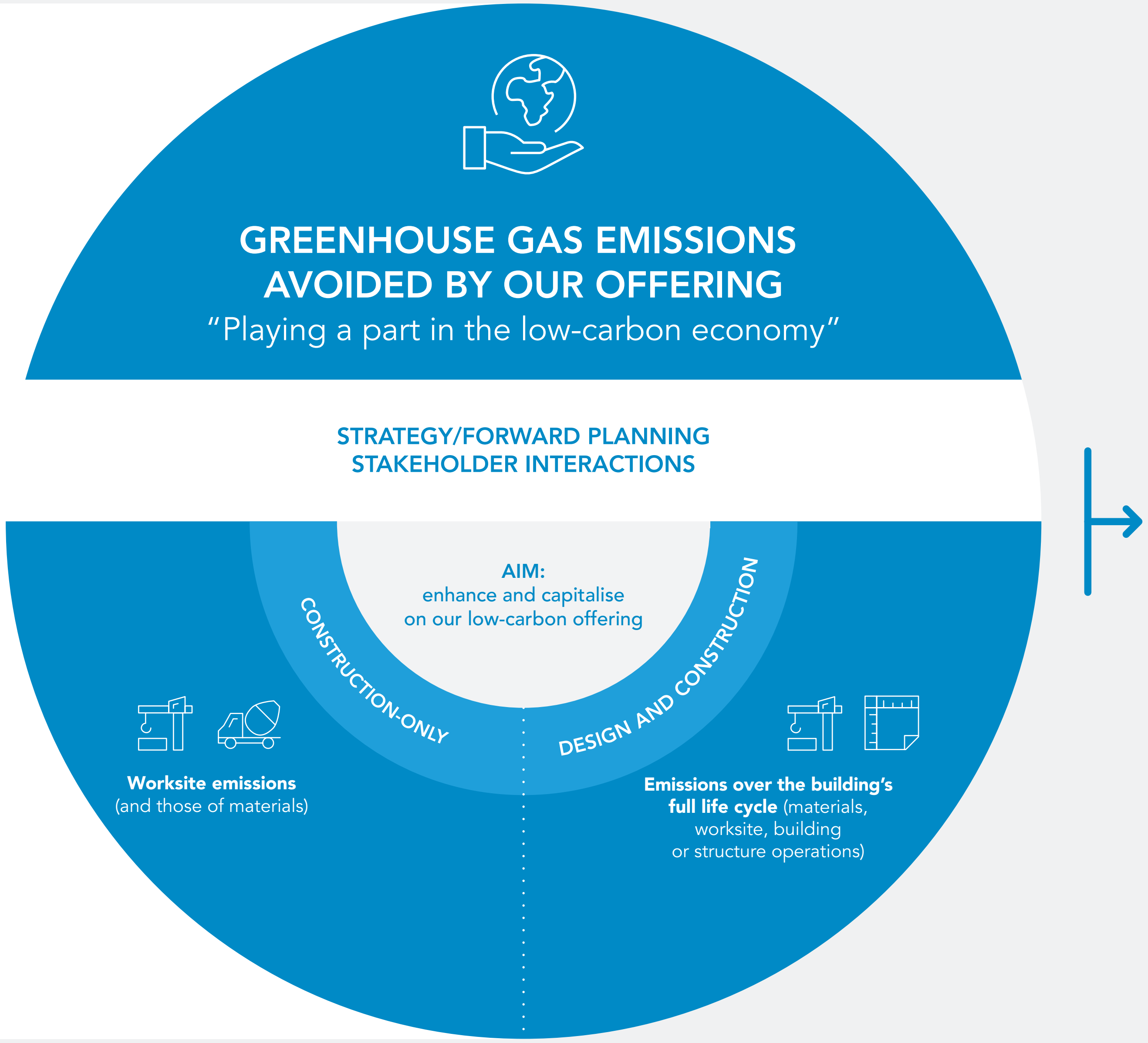
Our sustainable development policy is built around seven inextricably linked pillars: new forms of mobility, renewable energies and energy performance, low-carbon design and construction, new digital applications, urban agriculture, biodiversity and ecological engineering, and the circular economy.
We harness our ability to innovate to make progress in these seven areas so we can deliver seamless solutions that meet the full spectrum of low-carbon needs and safeguard the sustainability of cities and infrastructure.
To implement this policy we draw on the expertise of our business lines, which are firmly focused on reducing sources of greenhouse gas emissions and adapting to the consequences of climate change. Environmental issues are now taken into account in operations within each division and business line and, on a cross-company basis, via the expert support of the Sustainable Development and Transversal Innovation department (SDTI) and the Purchasing department.
All our business lines and employees have a role to play in this transition to a low-carbon economy. On a daily basis, we conduct campaigns to inform and raise awareness, share best practices, demonstrate new techniques and roll out new low-carbon technical solutions.
The low-carbon economy is now truly established within the Group as part of our drive to invent the future with a human perspective. —

Low-carbon strategy
360° view of Eiffage

Low-carbon strategy

Eiffage sees low-carbon construction as an opportunity to make the difference. It harnesses the power of its innovation for shared sustainable development to lower emissions right across the value chain and establish itself as a prime mover in the new low-carbon economy markets.





Pillar 1

New forms of mobility

New, environmentally friendly forms of mobility are needed if sustainable towns and cities are to emerge.
Eiffage offers an array of low-carbon solutions to support their development while accommodating the latest technological, ecological and societal priorities.

1,950
additional car-pooling spaces planned by 2021 by APRR and AREA

Developing new mobility solutions involves thinking differently about transport, innovating for smoother traffic flows and encouraging the development of new forms of mobility with lower CO_2 emissions, such as electrically powered transport, car-pooling and autonomous shuttles.

Developing new forms of mobility

In 2018, Eiffage Énergie Systèmes and its partners launched Mia, a fully electric autonomous shuttle. It has been trialled in Lyon and offers a pioneering solution to the transport issues encountered in business parks. Mia recharges its batteries automatically via a photovoltaic shade system when stationary. We encourage the emergence of other forms of public transport by trialling systems in situations that give them greater prominence, such as when they have their own site or lane. For example, AREA operates a shared-use hard shoulder on the A48 just outside Grenoble. This actively managed experimental system, operating over a 10-km stretch, aims to keep traffic moving on the motorways into the city and reduce pollutant emissions.

Getting behind electric mobility and car-pooling

APRR and AREA have continued to invest in electrically powered mobility systems and car-pooling. At end-2018, 55 motorway service areas in the APRR and AREA networks were fitted with rapid and ultra-rapid charging stations (87 in all), equivalent to one charging point every 50 km on average. These complement the five Tesla Supercharger stations equipped with ultra-rapid (120 kW) charging points, which provide enough power for a range of up to 300 km.
Both companies plan to inject fresh impetus into car-pooling under the motorway investment plan approved by the French government in late 2018. By 2021, APRR and AREA plan to introduce a further 1,700 and 250 car-pooling spaces, respectively, in addition to the 1,088 that were created between 2014 and 2018. And in 2018, a new partnership with the start-up ParkingMap was secured in conjunction with the Porte de l'Isère municipal authority for the Grive car park on the A43 motorway. Thanks to this partnership, people can now use an app that shows in real time the number of parking spaces available and where they are located. —

Projects

UP: an innovative urban cable car solution

17 projects at the planning phase in the Île-de-France region

80 urban cable car projects worldwide

UP is an urban cable car solution suitable for densely populated cities. Eiffage, RATP and Poma have joined forces and conducted specific research projects to enable them to offer this aerial, low-carbon, fully electric form of public transport to local authorities.
It is well-suited to the constraints facing these authorities such as land shortages, tight budgets, the new challenges posed by urban integration and the need to develop inter-modal systems by combining various forms of transport. —

UP, a fully electric urban cable car, will soon become a reality.

Mia: the autonomous electric shuttle

a **1.2** km route

15 to 20 minute journey times along the **6-stop** route

Mia, the first free-of-charge autonomous shuttle travelling on the open road in a business park, was introduced in the Gaulnes priority development zone east of Lyon in January 2019, where it will be trialled for two years. Launched by Eiffage Énergie Systèmes and shuttle designer Navya, with the support of the Lyon city authorities, Mia offers public transport users a practical solution for the final leg of their journey.
After its two-year trial, the innovative Mia solution may be rolled out in other business parks. —

Mia is the first free-of-charge autonomous shuttle travelling on the open road in a business park.

Pillar 2

Renewable energies and energy performance

20%

of the European Union's energy consumption to be covered by renewables under the EU energy and climate package for 2020

Our specialised energy generation and maintenance divisions design cutting-edge technical solutions, including wind farms, photovoltaic plants, geothermal installations, co- and tri-generation plants, biomass power plants, and waste-to-energy facilities.

To meet the energy challenges of our time and in accordance with the targets set by the European Union, which aims to increase its total energy consumption from renewable sources to 20% by 2020, the Group has led the way in developing alternatives to fossil fuel energies in France and beyond.

It is also focusing on making energy savings and reducing its greenhouse gas emissions.

Smartseille and the seawater loop

The seawater loop set up for the Smartseille eco-neighbourhood in Marseille alongside our partner EDF Optimal Solutions represents a major innovation.

The novel heating and cooling solution pumps in seawater from a medium depth near the city's port facilities and uses it to provide the balance needed to operate its internal warm water network for the neighbourhood.

Thanks to this innovative system, which provides a natural source of heating or cooling depending on the season, 75% of the energy used by the Smartseille eco-neighbourhood comes from renewables.

Energy-efficient buildings for a high-quality user experience

At the beginning of March 2018, Eiffage Énergie Systèmes presented its digital energy monitoring system for public buildings, the first of its kind in Europe.

The Group is building a monitoring system for the city of Paris that will be the most extensive in Europe. It will install smart sensors at the city's various thermal plants to collect data and spread energy needs as evenly as possible. A special network employing Internet of Things (IoT) technology collects and uses this data. The system will optimise the city's energy management and pave the way for the creation of new services and applications for users. In addition, Eiffage Énergie Systèmes sealed an energy performance contract with the Centre-Val de Loire region in 2010 to operate the energy installations at 19 high schools for 15 years. Eiffage Énergie Systèmes will maintain and manage the schools' energy performance until the contract expires. —

Projects

Smulders, an offshore wind energy specialist

A contract worth over €250 million for the Moray East wind farm off the north-east coast of Scotland

Smulders, a subsidiary of Eiffage Métal, has bolstered its leadership in the European market for foundations, transition pieces and substations for offshore wind farms.

In March 2019, it landed a contract worth over €250 million to build the Moray East wind farm in the United Kingdom as part of a consortium. The project includes the design, supply and laying of 100 foundations, each weighing 1,000 tonnes.

In 2018, Smulders installed the foundations for Beatrice, Scotland's largest wind farm that will power 450,000 households from 2022. That same year, the subsidiary delivered its 21st offshore high-voltage station for the Norther farm in Belgium. —

Smulders boasts more than 50 years' experience in the engineering, production, supply and assembly of steel structures.

A breakthrough in the photovoltaic energy sector

400 installations built in France

450,000 m² of photovoltaic panels installed in France

Almost **2** GWp of photovoltaic capacity installed worlwide

The Eiffage group has completed a number of solar photovoltaic projects in France and around the world, including the Quilapilún and Huatacondo power plants in Chile (110 MWp and 98 MWp, respectively), Ten Merina in Senegal (30 MWp) and Nouakchott in Mauritania (50 MWp). In Jamaica, a power plant project is underway in Paradise Park.

Eiffage Énergie Systèmes has excelled in this sector, especially via its Spanish subsidiary Eiffage Energía, which has installed almost a third of Chile's photovoltaic installations. —

The Huatacondo power plant in Chile has 300,000 solar panels and a capacity of 98 MWp.

Pillar 3

Low-carbon design and construction

We seek to lead the market in low-carbon design and construction by reducing the greenhouse gas emissions from all our projects, including residual emissions, and by innovating constantly to develop alternative solutions.

100%

of old bitumen road surfaces can be recycled using Recytal-ARM®

All the Group's divisions are able to produce effective commercial solutions that avoid a significant amount of CO_2 emissions compared with standard levels required by regulation, reduce residual emissions and develop alternatives that do not use fossil fuels.

We took a major step forward in 2018 by adopting a new indicator that measures the carbon emissions avoided through use of our greener solutions.

Eiffage is the first group in the sector in France to have introduced this type of indicator and will thus encourage all its entities to push for the adoption of low-carbon solutions.

Expanding use of biosourced materials

We are making greater use of biosourced materials, including recycled cotton, wood wool, natural linoleum, hemp concrete and clay.

Similarly, Eiffage has already used timber, a 100% natural and recyclable material, in some 30 projects, including several residential complexes. In Bordeaux, we are building Hypérion, France's tallest timber-framed structure.

Integrated engineering offices from the recently set up specialised subsidiary Eiffage Construction Bois are brought in from the design stage. In 2018, we also acquired a business that specialises in industrial roof frames.

Likewise, we established a Company timber label to track traceability "from the forest to the worksite" – the first of its kind in France.

Reducing or replacing raw materials that generate emissions

Optimising the energy efficiency of building materials and structures is another way for us to develop low-carbon construction. For example, we are trialling clinker-free concrete. The carbon footprint of our clay-based cement is just a quarter of that of traditional cement. We are also participating in research programmes that aim to recarbonate and recycle used concrete. The FastCarb project, for example, aims to facilitate the recycling of used concrete by injecting it with CO_2.

Lastly, Eiffage Route has developed an in-situ road resurfacing process reusing existing materials and employing alternative solutions based on warm, recycled or biosourced aggregates as part of its drive for more sustainable roads. Recytal-ARM®, a bioregeneration solution for aggregates using plant-based binders, can cut the carbon footprint of our aggregates by a factor of 10. —

Projects

Binche middle school: Belgium's first school built using timber, straw and clay

Location: Binche — Belgium

Delivery: September 2017 (1st building)

The Binche school is a whole new type of building. It was designed by De Graeve, a subsidiary of Eiffage Benelux.

Since November 2017, students aged 11 to 13 at the Binche school have been taught in a building with a timber frame, insulated with straw. The spacious, bright and safe structure replaced a prefabricated sheet metal construction. It is the first school building in French-speaking Belgium to use timber, compressed straw and clay-based plaster.

Several renewable materials were used in the construction project, including timber for the main structure, straw for the walls, and earth. Also, cork was used as insulation in the roof, and clay-based plaster covers the internal walls.

De Graeve, a subsidiary of Eiffage Construction Benelux, which built the project, has developed significant expertise in energy-passive timber-framed buildings – highly technical projects that call on the full breadth of expertise and creative abilities of the teams involved. The building has already won a prize at Construction 21's Green Solutions Awards. —

"This building makes rational use of every single material to reap all the potential benefits while avoiding any wasted grey energy. With natural materials, you can build a structure with a much smaller carbon footprint. Due to their plant-based origin, timber and straw serve as CO_2 fixation agents." —

Olivier Mareschal, Chief Executive Officer of De Graeve, Eiffage Benelux

Binche (Belgium) — De Graeve built the first school building in French-speaking Belgium to use timber, compressed straw and clay-based plaster.

Pillar 4

New digital applications

We provide innovative solutions adapted to new urban practices and the development of sustainable cities, including urban infrastructure monitoring systems, predictive maintenance and actively managed signage.

50%

minimum reduction of street lighting costs for cities using Luciole®

Managing the full range of urban systems in real time to increase the availability of installations and provide the best possible continuity of service through predictive maintenance is one of the key challenges for smart urban infrastructure management.
That is why our teams employ various different control technologies (infrared thermography, acoustic and ultrasound controls, etc.) to quickly identify the root causes of any anomalies, whatever their origin.
We have also developed Expercité, a comprehensive offering that can be adjusted to fit the needs of each local authority.

A smoother user experience, lower costs and reduced light pollution

Given the high cost of street lighting for local authorities, we developed Luciole®, a tailor-made service to match requirements with a reduced energy footprint.
Luciole® combines a light road surface covering developed by Eiffage Route with LED lights that automatically detect traffic delivered by Eiffage Énergie Systèmes.
Luciole® can vary the brightness of lighting according to whether or not users are on the road and how fast they are travelling. From a driver's perspective, there is no difference compared with conventional lighting systems. Vehicles become part of a train of light that follows them the length of their journey.

Innovating relentlessly

We are also trialling other applications, such as connected, safe roads or actively managed information boards. One such example is the innovative I-Street project (named after the French acronym for systemic innovation to support ecological and energy transitions in road transport infrastructure). It won the 2017 Road of the future prize awarded by the French environment and energy management agency (Ademe) and represents an investment of almost €16 million over four years by the Group as part of its efforts to develop the connected and sustainable road of the future. —

Projects

Expercité: an integrated smart management solution for urban networks and equipment

Eiffage Énergie Systèmes has created a specific brand, Expercité, to provide its solutions for cities and local authorities. Their extensive and adaptable services are designed to meet the challenges facing the city of tomorrow.

At Eiffage, we firmly believe that cities must be more than just smart. Today, they need to become intuitive and be able to share information directly and instantaneously with users to offer them ever-greater comfort.
According to the United Nations, the proportion of the world's population living in urban areas is set to increase from 54% in 2014 to 66% by 2050. To rise to this challenge, Expercité has developed products and services for cities and local authorities organised into five modules: urban environment, mobility, safety and security, integrated automation system and digital intelligence.
Each local area can choose either a comprehensive solution addressing all of its needs, or one specific solution from a particular module. For example, the urban environment module features street lighting, architectural illumination, public address systems and variable-message signs.
This comprehensive offering can be adjusted to fit the needs of each local authority. —

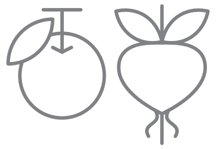
"For six months we successfully trialled an actively managed bus lane in Lyon, right at the very heart of the city.
It improved bus traffic flows by 8%.
Eiffage Énergie Systèmes designed, supplied and installed the active traffic management system." —

Olivier Malaval, Regional Head of the Centre-Est region, Eiffage Énergie Systèmes

Pillar 5

Urban agriculture

Eight billion people will live in cities by 2050. Eiffage is pursuing numerous urban agriculture initiatives to support this increasing urbanisation, while facilitating the agricultural and ecological transition.



6,000

tonnes of fresh produce p.a. to be produced at the LaVallée eco-neighbourhood in Châtenay-Malabry

Urban agriculture can take many forms – vertical, horizontal, in-ground, off-ground (in trays, aeroponically, aquaponically or hydroponically), in greenhouses, on rooftops, ground-level, below-ground or on façades – in both public and private locations.

An asset in planning projects

We increasingly incorporate urban agriculture into our planning projects to raise awareness and reintroduce nature and the production of fruit and vegetables in cities. This new approach boosts ecosystems for municipal authorities and the people who live in the city by increasing biodiversity, promoting shorter distribution channels, boosting well-being and improving rainwater management. The overall benefits to health and the environment are tremendous.

It is also a way of adding value to spaces that are currently underutilised, such as façades, rooftops, basements and outdoor spaces. It represents a major opportunity amid the current land shortage.

Trailblazing projects in progress

The future 20-hectare eco-neighbourhood designed by Eiffage currently under construction in Châtenay-Malabry will have plenty of space for plants to grow. It will feature a large walkway with abundant greenery. There will also be a 1-hectare urban farm, with agricultural production forecast to reach 6,000 tonnes annually. The farm will help to meet demand for sustainable agriculture by promoting short distribution chains. Fruit and vegetables will be sold directly to the neighbourhood's schools and residents through a third party.

Similarly, the Asnières-sur-Seine mixed development zone will combine agriculture with an access-to-employment programme. Just under 1.7 hectares of rooftop space will be used as production areas and shared gardens. The project also has an educational, interactive and social dimension. Four urban farmers will be hired to produce 7,000 punnets of fruit and 30,000 bottles of juice, demonstrating the project's tangible impact. —

Projects

Agriculture at the heart of the city: the Romainville vegetable garden

2 vegetable towers

1,000 m² of space for crops

12 tonnes of fresh produce each year

Located in the Marcel-Cachin district of Romainville, the neighbourhood – designed by the Ilimelgo architectural agency and to be built by Eiffage Construction – will be the setting for Europe's first two vegetable towers.

A vegetable tower is a giant vertical greenhouse located at the heart of a city. This type of structure, which puts agriculture back into the city, brings the point of production closer to the point of consumption and creates local jobs.

The Romainville project was launched by the life sciences and environment institute AgroParisTech in conjunction with local authorities. The two towers, the tallest of which will be 24 m high, will be built using sustainable and biosourced materials and used to grow fruit and vegetables on six levels totalling 1,000 m² of space. They will produce 12 tonnes of fruit, vegetables, edible flowers, plants and seeds per year – the equivalent of the annual consumption of 200 families. In addition, four tonnes of mushrooms will be grown in the buildings' basements. Educational gardens, areas for socialising, a cafeteria, kitchen and shops will be built, and workshops and events related to urban agriculture will be organised in and around the production areas. —

Romainville (France) — Eiffage Construction is building Europe's first two vegetable towers.

Pillar 6

Biodiversity and ecological engineering

To protect biodiversity, Eiffage favours measures that avoid and mitigate the ecological impact of its projects, while building up its expertise in offset mechanisms. What's more, we are keen to share this expertise with all our stakeholders.

19
new large wildlife crossings planned on the APRR and AREA networks

Our biodiversity commitments are predicated on three major objectives: alleviating pressure on natural resources; developing our know-how in ecological engineering, biodiverse developments and ecological offset mechanisms; and upskilling our teams in these areas.
All our business lines employ an avoid, reduce and offset approach, as required under the Biodiversity Act of 2018. The Group, extensively active in this area since 2009, ensures its people work towards these goals.

Recognised expertise, shared with others

To take its commitment to biodiversity to the next level, Eiffage actively participates in various industry bodies and research groups. We are the only French construction and development group in the Business and Biodiversity Offset Programme (BBOP) established by the Forest Trends NGO, which has over 80 public- and private-sector members. The ecological offset programme for the Bretagne-Pays de la Loire high-speed rail line was presented to the BBOP community at their 15th meeting, held in Paris in late 2018. The programme is now regarded as a template for companies around the world.
We are also expanding training for our employees in these areas.
Eiffage has also been involved in setting up a master's degree course in biodiversity at Paris' Sorbonne university, which around 40 of our employees have now completed.
Via our virtual environment and sustainable development university (Uved), we also created a MOOC concerning the new job opportunities related to biodiversity, to which a record number of employees have signed up. —

The BiodiverCity® Construction quality label

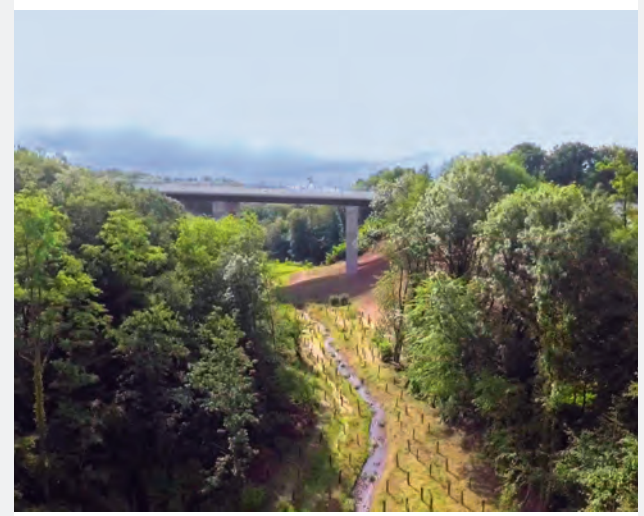
In May 2018, Eiffage's head office in Vélizy-Villacoublay was awarded the BiodiverCity® Construction quality label, the first international seal of approval recognising biodiversity in construction and renovation-related real estate projects at the design phase. —

Projects

A89-A6: renaturing the Sémanet stream

220 m-long Sémanet viaduct
26 m-high stacks
400 m of stream renatured

As part of the construction of the new **A89-A6 motorway link north of Lyon,** APRR has renatured a 400 m-long stretch of the Sémanet stream under the viaduct bearing the same name. The ecological objectives included re-meandering, improving the substrate (laying blocks on its bed), renaturing the banks and creating ponds nearby. What's more, special measures were taken during the project to maintain corridors so that small and large animals could still move around.
Large copper butterflies and stone curlews were among the species to benefit. —



Throughout the project to connect the A89 to the A6 north of Lyon, APRR has implemented various measures to protect natural resources and biodiversity.

A large-scale partnership with the French association for the protection of birds (LPO)

30,000 hectares of natural space managed by the association

In July 2018, a nationwide partnership was established with the French association for the protection of birds (LPO), France's leading wildlife protection organisation.
We are also a member of the U2B (Urbanism, Buildings and Biodiversity) Club, a working group set up by the LPO to focus on biodiversity, construction and urbanism.
We have set aside a specific annual budget enabling us to take advantage of the consulting and educational services provided by the LPO to various real estate projects in the region. —

The LPO is guiding Eiffage's construction of the LaVallée eco-neighbourhood in Châtenay-Malabry to make sure biodiversity is taken into account in the buildings and green spaces.

Pillar 7

Circular economy

We reuse and recycle materials wherever possible to reduce waste and establish the circular economy. We have already achieved the regulatory requirement for 2020 of recovering 70% of our waste.

8,500

tonnes of waste processed annually by our Noé waste sorting and recovery platform in central Bordeaux

All our business lines are engaged in pioneering and ground-breaking circular economy initiatives to transform our day-to-day operations. Eiffage is among 33 large French businesses belonging to the national association of private companies (AFEP) that made a pledge in 2017 to actively embrace the circular economy.

Reprocess, recycle and recover

It all starts before demolition. We increasingly use selective deconstruction techniques and dismantle as many elements as possible to reduce the volume of waste generated and promote reuse and recycling. In some cases, we work with specialised partners to recycle certain materials such as PVC joinery. Our teams in the field reuse concrete and old materials from various project sites. This technique is clearly stated in the project specifications. Almost 85,000 m^3 of concrete have been crushed and will be reintroduced as part of the LaVallée eco-neighbourhood in Châtenay-Malabry. In Bordeaux, we set up an integrated solution in the form of a physical platform for the circular economy. It is the first of its kind. The Noé inter-site shared services platform provides recycling and waste recovery, plus excavated soil reuse solutions, all at one site. Package 1 of line 16 of the future Grand Paris metro project will also raise the bar in this area, since the contract specifications require that 70% of the waste be recycled, recovered or reused, together with full traceability of excavated material.

Encouraging all innovative internal initiatives

We launched a "Best of the circular economy" competition in 2018 to encourage all existing initiatives and share best practices internally. One notable entry was the RéaVie non-profit's circular economy platform, which is supported by our foundation. It saved several tonnes of material and equipment from being sent to landfill, and has provided a university in Dakar (Senegal) with furniture recovered from the LaVallée eco-neighbourhood site. —

Projects

The LaVallée eco-neighbourhood, sustainable urban development at its best

85,000 m^3 of concrete reintroduced

30,000 m^3 of project soil reused

In **Châtenay-Malabry,** the LaVallée eco-neighbourhood is taking shape on the site of the former École Centrale. No less than 98% of the demolished concrete and materials will be recycled on site during the construction and development process.
Several circular economy channels have been put in place, and 250 m^3 of equipment and materials from the former university will be reused. The RéaVie non-profit is in charge of these aspects and has found new uses for hundreds of products and materials, saving on waste and landfill costs. —

With selective deconstruction, we can separate and sort the various elements demolished in situ so that they can be recycled or reused.

Recytal-ARM®, a cutting-edge technique for the economy and the environment

Prizewinner in the 2017 contest organised by the French road innovation committee (CIRR)

Recytal-ARM®, our road resurfacing technique, combines a biosourced plant-based binder with an in-situ cold road surface treatment process. Given the drive to reduce reliance on fossil fuels, Eiffage Route has developed a solution that replaces bitumen with plant-based materials, and can regenerate materials using plant-based binders that do not use oil. This technique emits smaller volumes of greenhouse gas, facilitates the use of local resources and helps to foster the development of the circular economy. —

This innovative solution reduces the consumption of natural resources by 90%.

Supporting the long-term development of our employees

Inside track

Lina Jaber,
Works Supervisor at Eiffage Construction

"What makes Eiffage different? The human perspective, especially in the management team. Employees are more empowered and enjoy more freedom in their work than they would elsewhere. The only condition is that they must deliver the results our customers expect. Relationships are built on trust." —

Claudine Font,
Eiffage's Head of Social and Human Development

"'Invent your own future with a human perspective', a promise fully aligned with our values. It is a natural fit for us." —

Martin Freynet,
Civil Engineer and Messenger at Eiffage Génie Civil

"Employee share ownership is one of Eiffage's defining characteristics. Together, employees are able to influence the future of the business. It's an important way of keeping the family spirit alive at Eiffage." —

Erick Lemonnier,
Head of Risk Prevention at the Infrastructure division

"Safety Force©, our 100% safety app, is based on an evaluation by our employees and managers of the extent to which our 20 critical safety rules are met. Our partners – customers, subcontractors and outsourcers – contribute in complete transparency." —

Nicolas Contant,
Head of Digital Communication at APRR

"The Routes des Likes is an employee advocacy campaign that aims to engage APRR's teams on social media. A digitruck toured the APRR group's nine project sites and gave over 500 employees basic training in how to promote the brand." —

Employee share ownership

Achieving shared growth and development

Eiffage's employee share ownership plan has gone from strength to strength since its introduction in 1989, with more and more employees investing every year. These numbers grew again in 2018, demonstrating that employee share ownership is an essential part of who we are. Our next goal is to encourage 100% of our employees to become shareholders by 2020.

Over 70%
of our employees are shareholders

Employee share ownership is a distinctive feature of our Group and a central part of our corporate culture. It boosts motivation, fosters engagement and gives employees a direct stake in the economic and financial performance of their company. It also helps to enhance Eiffage's appeal and serves as way of gauging employee satisfaction. The current situation is the result of a major, long-standing commitment. According to Sonia Chevalier, Eiffage's Head of Employee Share Ownership, "the plan embodies our efforts to nurture a sense of belonging and involve employees in the success of our projects."

In 2018, 43,862 employees owned shares in the Group. The subscription rate for the most recent capital increase reserved for employees was 68.54%, representing €143.6 million. At 31 December 2018, the Group's employees owned a total of 17.6% of its share capital – a level that few listed companies achieve. Sonia Chevalier attributes this success to the strength of Eiffage's model. "Employee share ownership safeguards our independence and reflects employees' well-being and trust in the Group. It also serves as a promise to our customers and partners that our employees are engaged and committed to the success of their projects. It helps to bring everyone together."

Eiffage is also gradually opening up the employee share ownership plan to staff working within our international subsidiaries.

Who are our employee shareholders today?

— There is no such things as a standard Eiffage employee shareholder in terms of profile or age. Generally speaking, younger employees subscribe just as much as their older colleagues. The subscription rate increased across all professional categories in 2018. It stood at 88% for managers, 71% for technical, clerical and supervisory staff, and 67% for blue-collar workers – the largest increase being recorded in the latter category. Most countries posted an increase in their subscription rate. Senegal led the ranking with a 90% subscription rate.

Messengers spreading the word on the ground

— More than 700 messengers help to spread the word about the benefits of employee share ownership and answer questions from all our employee shareholders in all of the Group's facilities. They also introduce new recruits to our corporate culture. These messengers liaise between General Management, the Employee Share Ownership department and employees, reporting back on the questions they are asked most frequently. To help them in their role, they have access to digital communication tools and special employee savings training through the Eiffage University. In 2018, meetings were also held across France. Benoît de Ruffray, the Group's Chairman and Chief Executive Officer, Christian Cassayre, Chief Financial Officer and Sonia Chevalier, Head of Employee Share Ownership, toured the country to meet with the operational managers and messengers in each region (see next page). —

"Our employee share ownership model stands for independence, trust, engagement and togetherness, for our employees and customers alike." —

Sonia Chevalier, Head of Employee Share Ownership

Employee share ownership

First employee share ownership Tour de France

In all, 12 meetings took place – each time in a different regional branch – between September and December 2018. Benoît de Ruffray, our Chairman and Chief Executive Officer, and members of the Employee Share Ownership department met with over 1,500 managers and messengers during the tour.

Just as General Management meets with investors, we reach out to employee shareholders in two ways every year – at the annual messengers' meeting, and now at these regional summits. The morning meetings began with an update on the employee share ownership figures, the Group's business activities, its performance and the latest news from the relevant region.

Special attention was also paid to our social engagement in local communities, including via the Eiffage Foundation. Lastly, the participants had the chance to put their questions to Benoît de Ruffray directly.

To round off each meeting, there was an opportunity for socialising and more informal conversations. —

Over 1,500

participants at the regional employee share ownership meetings

Portrait

"It's not the size of the investment that matters, but the number of employee shareholders!"

Martin Freynet,
Civil Engineer and messenger

Working at Eiffage for **14 years**

3 positions within the Group

Martin Freynet, specialist in high-rise works, is also a messenger for the Group's employee share ownership plan.

"I **became a messenger a few years ago** to share the assets of the Group and our common interest in Eiffage's success with new recruits. I really enjoyed the experience, especially getting to know a large number of colleagues – so I decided to continue.

Employee share ownership is one of Eiffage's defining characteristics. Employees of all ages are able to get together to influence the future of the business, just as they have always done in the past. It's an important way of keeping the Group's family spirit alive. It's also a good investment. If you become a shareholder, you are effectively working for yourself as well as for the Group. Even though the share price can fluctuate from one year to the next, we remain confident about its long-term outlook.

Regular information and support

— In the first quarter of every year, the messengers' meeting gives us the key numbers from the previous year. Then we organise our own meetings with the new employees in our entities. We give a presentation on the employee share ownership plan, current developments and share price forecasts for the coming year.

We aim to raise awareness among the works supervisors and support them because they pass on the message to tradespeople and workers on site. During the subscription period – usually from March to April – I actively contact these colleagues to encourage them to take part, and answer questions they may have or pass on to us from the field.

Lastly, my role is to help those employees who want to become shareholders to put together their applications, which are now entirely online. Some of them need help from the leadership of the employee share ownership plan, so I act as an intermediary.

Eiffage's objective is to achieve an employee ownership rate of 100%. As messengers, we are working hard to reach this goal. We tell them it's not the size of the investment that matters – what makes us strong is the number of employee shareholders." —

Risk prevention

Protecting to succeed

All our actions are geared towards achieving 100% safety – a simple but highly demanding objective. In 2018, we implemented a range of initiatives, including awareness-raising campaigns, training, safety audits and innovative new tools, across all our business lines to get closer to our goal of zero risk and achieve a higher degree of protection and safety for our employees.

6
Group-wide accident frequency rate target for 2020

8.27
Group-wide accident frequency rate in 2018

Dr Dietmar Elsler,
Project Manager for the European campaign Manage Dangerous Substances

Preventing chemical risks

"The European Agency for Safety and Health at Work (EU-OSHA) launched an extensive campaign on 24 April 2018 to raise awareness about the need to handle dangerous substances safely to reduce risk in the workplace. The Eiffage Group is one of the campaign's official partners – and the only one in its sector. Its goal of 100% workplace safety in the design and use of chemical products has truly raised the bar. It aims to eliminate or replace all dangerous substances wherever possible. As part of this partnership, the Eiffage Group promotes all our information material throughout its entities and with seminars and training sessions. In addition, Eiffage is sharing a whole array of best practices with the campaign's other partners."

Eiffage strives to achieve "zero risk" in all its projects and facilities in France and around the world. We aim to reduce our overall accident frequency rate to six by 2020. To achieve this, every division has developed its own action plan specifically geared to its operations. The plans were rolled out and put into operational use in 2018. Units in the Eiffage Energy Systems division set their own objectives, which were then compiled into a target frequency rate at divisional level.

Across all our divisions, our managers and tradespeople receive regular risk prevention and safety training. In addition to these courses, initiatives to raise awareness have also been introduced on the ground. For example, the Construction division tackles a new risk prevention topic every month, circulating posters and videos filmed with employees.

Meanwhile, APRR has continued rolling out its SafeStart® programme, designed to prevent accidents both at work and at home, by encouraging employees to take responsibility for their own safety and remain risk-conscious at all times. In all, 1,200 employees received training under the programme in 2018.

Rallying managers Group-wide to the safety cause

— The various tiers of management play a very active role in achieving our safety and risk prevention objectives. The Construction and Energy Systems divisions have brought in self-assessment tools for managers to help them review their safety performance every year. The Energy Systems division has also implemented special action plan monitoring for units with below-par safety performance.

Furthermore, managers across the Group conduct worksite inspections to ensure compliance with risk prevention rules. To smooth the process and elicit a swifter response, high-performance digital tools were rolled out in 2018 (see next page).

Innovation: the future of risk prevention is almost here

— The Group, a trailblazer in this field, is constantly innovating to protect its employees against risks. For example, we are striving to improve chemical risk prevention (see right) by developing safety equipment.

The Ironhand® robotic glove developed in partnership with Swedish company Bioservo Technologies AB has already been successfully introduced in the Infrastructure and Eiffage Energy Systems divisions. This active exo-skeleton is designed to mechanically augment the hand's natural strength and can be deployed at all workstations where hand and wrist actions are required. The goal is to prevent repetitive strain injury of the hand and make this kind of work more accessible to people with disabilities. —

Risk prevention

Mobile, data and artificial intelligence harnessed for risk prevention

Each of the divisions has developed its own approach to safety in the workplace and risk prevention using artificial intelligence (AI) data. Three mobile apps embody this innovative approach to risk prevention. These tools, which have been rolled out in France and around the world, smooth the flow of information and facilitate data processing to assist local operators with their decision making. The heads of risk prevention from the divisions shared **their different points of view.**

Erick Lemonnier,
Head of Risk Prevention at Eiffage Infrastructures

Patrick Colin,
Head of Quality, Safety and Environment at Eiffage Énergie Systèmes

Xavier Julien,
Head of Risk Prevention at Eiffage Construction

Yannick Lecomte,
Head of APRR's Network Risk Prevention department

What are the primary benefits of your app?

Erick Lemonnier — "Safety Force© is our 100% safety app. It measures our safety performance in real time across all our worksites around the world. It is based on an evaluation by our employees and managers of the extent to which our 20 critical safety rules are met. The predictive app calculates the chances of an accident occurring and can issue an alert based on the data it collects, pinpointing the cause or causes and relevant area.

Since the app was launched in 2016, over 400,000 data records have been stored, analysed and exchanged. Our partners – customers, subcontractors, outsourcers – can play their part in complete transparency by using Safety Force©."

Patrick Colin — "Our Easy mobile app is a tool designed by operational staff for operational staff. It makes it easier to arrange and process the safety inspections made by management. Managers can share best practice and report problematic or dangerous situations instantly, as well as add comments and photographs. They can follow up on remedial measures and launch reports. It's a very useful app, and since it was introduced on 1 January 2018, we have logged almost 130,000 observations!"

Xavier Julien — Final Safe is the division's mobile app. We use it to share best practice, key strengths, and high-risk situations with risk prevention staff and local managers, which helps to enhance communication and the operational follow up of risk prevention measures. It collects a wealth of data and can track valuable indicators, such as the number of inspections completed or the compliance rate."

Over 4,500
direct Safety Force© users in over **32** countries and in **4** languages

Over 3,600
regular users of the Easy app with more than 15,000 inspections made in 2018

What were your key accomplishments in 2018?

Erick Lemonnier — "In 2018, we released an updated version of the app, containing new features such as situation categorisation, and we continued to tweak the predictive algorithm. Our colleagues moderated 27,803 risks, and shared 4,939 ideas for best practice in real time. The Safety Force© app has won 14 national and international awards, including the Innovation Team Best Practices 2018 prize from Paris' Sorbonne university."

Patrick Colin — "In 2018, we held our fourth annual Safety Week, with events organised throughout France and around the world. This year, APRR also decided to roll out Easy across its units, so we jointly developed a new version. Two additional features were introduced on 1 January 2019. Reporting and materials from the 15-minute safety sessions were added to the app. In addition, dangerous situation reports now include a severity rating and remedial action planning."

Yannick Lecomte — "In March 2018, we decided to use an app already developed within the Group as the backbone for our own future risk prevention app. We chose Easy from the Energy Systems division. During the course of the year, we jointly developed a version with teams from both divisions. Numa Prévention, our own app, is currently being rolled out for managers. And 90% of the features developed are used by both units – a great example of synergy! Numa Prévention was tested at a number of sites in 2018 and will be made available to all our employees by the end of 2019. We are already working with Eiffage Énergie Systèmes on new features to develop together in 2019."

Xavier Julien — "In 2018, we trialled the roll-out of 'safety flashes' for tradespeople in certain units. All workers can use the app to report high-risk situations or ideas for best practice by simply uploading a photo then adding a thumbs-up or thumbs-down. The 'flashes' are then collected, analysed and processed by risk prevention teams. This new feature will be introduced throughout the whole division in 2019." —

Over 600
inspections recorded on Final Safe every month by Eiffage Constructions' risk prevention agents and managers

Recruitment, training and professional development

Training to transform

To support our growth, we recruit high-potential applicants who share our values, and secure their loyalty with a robust and ground-breaking training policy. Innovative divisional programmes, together with ongoing initiatives to boost harmonisation across the Group, all work towards this same goal.

1.2

million hours of training across the Group

Given the individual characteristics of their business lines, Eiffage's divisions can independently decide to tweak their recruitment and training policies. That said, sharing best practice and tried-and-tested processes helps to improve efficiency and foster agility within the Group. Claudine Font, the Group's Head of Social and Human Development, summarised, "we share four major standards: induction and training processes for new employees, a job and skills reference guide, and a mobility charter. And our new Group employer brand, of course."

Employing digital technology in the induction process

— We operate in fast-moving markets, so we often need to recruit large numbers of new employees. In Energy Systems, there are always 700 positions open for applicants. And all new recruits need effective induction and training.

To meet these challenges, we have developed digital tools to make learning fun, such as the escape games that now feature on the programme for the Construction division's induction seminars. The entire Group has access to a new digital module that introduces all newly recruited employees to Eiffage's values and its different business lines.

The Construction division launched another innovative initiative, which is now available to all new Eiffage employees – the On Board mobile app. It is a serious game that takes users through all the various stages of a major project.

An expanding range of training courses

— In 2018, the range of services offered by Eiffage University continued to grow, especially in e-learning. Training in the prevention of psychosocial risks was introduced Group-wide following the workforce agreement signed in late 2017.

"All our 2018 initiatives bear witness to our tremendous ability to innovate and digitise our processes without losing our profoundly human and supportive perspective." —

Claudine Font, Head of Social and Human Development, Eiffage

A time management course was also made available. In addition, the divisions implemented a number of noteworthy initiatives, including the integration within the Eiffage University of the Construction division's own modules built around its business lines, such as property.

In 2019, the Group will roll out a course entitled "Management: Values – Standards – Supportiveness". Dr Philippe Rodet, a former emergency medicine specialist and an expert on the subject, will support and contribute to the programme. Supportiveness at work is one of our brand's core values and an issue that is very dear to Benoît de Ruffray, the Group's Chairman and Chief Executive Officer. "The action plan will provide an opportunity to further cement our managerial culture and values, and thus to make the difference", sums up Claudine Font.

New synergies in career management

— In conjunction with the divisions, the Group has drawn up a new joint job and skills reference guide. This new resource "helps provide greater clarity concerning the business lines across the Group, which in turn promotes transfers between the divisions", explains Claudine Font.

Certain divisions have integrated the reference guide into their career management systems – like $(EC)^2$ in Construction and e-PCE in Énergie Systèmes. It has helped to harmonise how annual reviews are structured so that training needs can be identified more easily and to match candidates for intra-group transfers more effectively with the skills required to fill vacant positions. In addition, a Group-wide mobility charter was drawn up and has been introduced across the divisions.

A new employer brand – a major first in 2018

— Claudine Font recalls how this employer brand came into being: "We thought it was important to capture the essence of our HR initiatives and messages in a single brand promise. 'Invent your own future with a human perspective', a promise fully aligned with our values, quickly established itself. It was very well received internally. To bring it to life, we launched a selfie competition that elicited a tremendously creative response from our employees. The reception given to the brand promise was equally positive in schools and at student fairs.

The divisions are now starting to embrace this promise. For example, the Construction division, which will ultimately be followed by the Group, has set up a network of ambassadors bringing it to life in its communications." —

Focus on the employer brand

"Invent your own future with a human perspective"

This is the promise made by the new employer brand that we created in 2018. We have given it its own hashtag – #HumanPerspective – to maximise impact on social media. Here are the five key points.

01

We encourage initiative. All of our employees should feel free to put forward their ideas, whilst knowing that they don't always have to get it right first time. The career progression achieved by some of our colleagues and the young age of many of our senior executives are proof of the opportunities we provide.

02

We value every employee's potential for creativity and innovation. We are an innovative group and we cultivate this creative spirit, as we are keenly aware that it will help keep us at the forefront of our industry. Phosphore, Seed Innov, E-Face and Start.box are some of the many innovations that we have rolled out.

03

We work in harmony with the world around us. As a future-oriented Group, we are committed to addressing social and environmental issues. We work relentlessly to improve risk prevention and safety on our projects, as well as equality, professional integration and inclusivity. We also provide opportunities for our employees to engage with and support community outreach projects.

04

We develop the skills of all our employees. The Eiffage University offers more than 500 training modules. They are designed internally and geared to the needs of all our employees.

05

We cultivate our unique approach through our employee share ownership plan. We were among the first in France to offer employees the chance to buy shares in their group. We use the strength this gives us to build projects that enrich people's lives.

#HumanPerspective

A unifying hashtag for use on social media.

Employee stories

Recent graduates who have chosen Eiffage

John Lubaki, work-study programme student at Eiffage Route

"**I am on a public works BTS course (equivalent to the UK's HND) and I spend the work portion of the programme at Eiffage as assistant to a project manager at Saint-Fargeau.** We mainly handle drainage and road widening projects. I am overseen by a works supervisor, who will monitor me throughout the two-year work-study programme. I first began working for Eiffage five years ago. Initially, it was part of my vocational CAP (NVQ equivalent) training, but I then worked for the Group as a temporary employee, before embarking on my current work-study programme two years ago. I have received a great deal of risk prevention and safety training since I joined. Every week, we attend a 15-minute safety talk, which covers various specific themes, such as waste, using chainsaws, noise, etc. I hadn't originally planned to specialise in public works, but it's a sector I enjoy. Even though conditions can be tough sometimes because we are outside most of the time, it's a good trade. And we all get on really well in my team. I like working for the Group – that's why I chose to stay on." —

Lina Jaber, Works Supervisor at Eiffage Construction

"**After completing my master's degree in civil engineering at the Sorbonne university in Paris,** I began my career with end-of-course internships at some of Eiffage's major competitors. I'm now a structural works supervisor on the Opus One project in Clichy. We are building 130 housing units, schools and childcare facilities. It's a really impressive development! When I first started, I was thrown in at the deep end. I was introduced to the team, then got straight down to work! I applied to Eiffage when I was looking for a job because the Group had a good reputation. And today, I'm very happy here. Working for Eiffage is exactly how I was told it would be during my job interview. What makes Eiffage different? The human perspective, especially in the management team. Employees are more empowered and enjoy more freedom in their work than they would elsewhere. The only condition is that they must deliver the results our customers expect. Relationships are built on trust." —

Cyril Patin,
Works Supervisor
at Eiffage Construction

"**I did my end-of-course internship with Eiffage Construction Habitat in Rosny-sous-Bois.** Then I received a job offer in 2016, which I accepted. I've been a works supervisor at Clichy-la-Garenne since January 2018. I've completed a specialised master's degree in works management via Eiffage Construction. By attending four or five training sessions a year, I was able to get various skills I had already acquired approved as credits. During my induction, I attended the graduate seminar, which aims to smooth our passage into professional life. The division runs this fun two-day event twice a year. There are presentations, workshops and orienteering events. What adds to Eiffage Construction's appeal is that internships are part of the recruitment process. The internship supervisors play a very active role, and the blue-collar worker internship is by no means a walk in the park. I see Eiffage Construction Habitat as one big family!" —

Broader access to employment

Integrating to move forward

Almost
3,500
students on work-study programmes in the Group in France

Broadening access to employment means hiring young people and those who would otherwise struggle to find work, giving them the chance to build a long-term career. To do this, we make use of work-study programmes and pursue work integration policies across all our units.

The labour market in construction currently has the wind in its sails, and we have many vacant positions. In this upbeat environment, work-study programmes and the development of student internships have become a crucial avenue of recruitment. At Eiffage, we have introduced an ambitious policy. Apprenticeships, which maximise the chances of successful long-term integration, help our employees gain qualifications over time. Work-study programmes have therefore become a key recruitment source.

Accordingly, the Construction division recruits more than 250 students on work study programmes every year, at all levels of responsibility, and plans to train more tutors. In Énergie Systèmes, apprentices and students on work-study programmes make up 4.5% of the total headcount and over one in three are offered a permanent contract at the end of their course. In Infrastructure, over 50% of work-study students (blue-collar workers and engineers) were recruited as staff members in 2018. That year, APRR-AREA also continued to operate the Prodiat programme under which students are trained so that they can gain motorway construction sector qualifications and secure a job.

Providing job opportunities for people struggling to find work

— Our projects, which deliver a boost to local employment, present many low-skilled job opportunities. Contracts frequently include clauses requiring a specific proportion of working hours must go to unemployed individuals. In many cases, though, we go well beyond such contractual and regulatory requirements. On the A480 project in Grenoble, APRR agreed to provide 36,000 hours of work for people in access to work programmes (young people and the unemployed), in partnership with the local authorities. Likewise, people in access to work programmes completed 100,503 hours on the Ariane 6 project, far beyond the 61,880 hours required by regulations.

For the Infrastructure division's Grand Paris projects, the various worksites launched in 2017 and 2018 required a total of at least 458,000 hours of access to work employment. By the end of 2018, 153,000 hours had already been completed. —

Key figures for internships and work-study programmes within the Group

Internships and work-study programmes provide a major recruitment pool for the Group. In 2018, the Construction division had 782 interns. Another 1,245 work-study students completed their placements at the Infrastructure division, plus 1,524 at the Energy Systems division, and 233 at APRR and AREA.

Promoting diversity and equal opportunities

13.48%
of the Group's employees in France are women

Accepting and accommodating every employee as they are so that we can move forward together forms the basis of our community, which we strive to nurture and develop.

We have put diversity and equal opportunities at the very heart of our daily efforts, with multiple information campaigns such as corporate films, interviews in internal magazines and events organised with local partners. We also regularly establish and renew agreements and action plans in all our divisions to achieve tangible progress. APRR and AREA have also set up an initiative to promote diversity and equal opportunities. The aim is to effectively integrate these considerations into our organisation's daily life by creating training modules for all employees. In 2016, Afnor awarded APRR and AREA with its Diversity Label as recognition of the initiative. The follow-up audit in 2018 highlighted the tangible progress to improve diversity made by both these companies.

Integrating people with disabilities into our workforce

— Eiffage actively provides opportunities for people with disabilities to access employment by raising awareness, recruiting them and protecting their jobs. Some divisions have also established special relationships with the sheltered employment sector (see definition below right) covering outsourcing and supplies. APRR maintained its annual volume of purchases in this sector at over €150,000 in 2018, up from almost €80,000 in 2014.

In addition, APRR is trialling a special escape game based on the theme of hidden disabilities. In this immersive role-play game, players have to destroy a virus to save the world, while dealing with a number of hidden disabilities. It helps participants understand these impairments better and accommodate them in real life.

Fostering greater gender balance

— In what remains a predominantly male work environment, we are taking various measures to open up our business lines to women, who accounted for 13.48% of our workforce in France in 2018. These measures include increasing the number of women in operational management roles and achieving parity in training, remuneration and promotion. Most companies had to publish an index measuring gender balance via five indicators on 1 March 2019. APRR scored 89 out of 100, with Eiffage Énergie Systèmes not far behind with a score of 85.

In the Energy Systems division, Clemessy Services and Clemessy signed agreements in 2017 and 2018 regarding job and career management, gender balance in the business lines and intergenerational cooperation. The aim of these agreements is to increase the number of female employees and ensure equal training and salaries. —

APRR and the sheltered employment sector

The sheltered employment sector is made up of a network of medical and social organisations that enable people with major disabilities to work in specially adapted facilities that accommodate their needs. In 2018, APRR spent €150,000 on purchases from the sheltered employment sector.

Eiffage and sport, a commitment with a human perspective

Sport is able to generate team spirit, bring people together to form lasting bonds and constantly challenge individuals to raise their game, which makes it a perfect fit for our values. That's why we have made it a major part of our approach and support and organise various initiatives and sporting events. All such efforts seek to help us tackle challenges together and fly the flag for Eiffage.

In 2018, we again pledged our support for top athletes under the French Performance Pact. The programme is based on a joint commitment made by the French State, businesses and sports federations to help athletes achieve both professional and sporting success. The athletes get enhanced support and specially adjusted working hours so that they can prepare for major international competitions as thoroughly as possible.

What's more, we plan to set up an Eiffage sports club in 2019 to bring them all together in a network, better track their progress and results and raise their profile.

Races, marathons and achievements

— Sometimes the projects we build are used as sports venues to host specific events. For example, on 27 May 2018, 11,000 people crossed the world's highest viaduct during the Course Eiffage du Viaduc de Millau race in Aveyron, France. Runners from 49 countries ran across the bridge at a height of 270 m above the ground – and then back again. The distance (23.7 km) and originality of the event propelled it into the list of France's top 10 races.

Back in 2016, Eiffage organised the first edition of the Eiffage Dakar Motorway Marathon. The races were held on the Dakar Diamniadio AIBD toll motorway built by the Group. Over 20,000 participants took part in the six running events. The Marathon's second edition will be held on 14 April 2019 and will feature four individual events: 42 km, 21 km, 10 km and the Kids stadium. The children's event will give 8 to 12 year olds a taste of running, jumping and throwing – the three basic athletic disciplines. This international sporting, cultural and social event celebrates our commitment to sport in Senegal, where we have forged a number of long-term partnerships with the main players in the local economy.

Every two years, we also organise the Eiffage Sport Challenge, bringing together almost 4,000 employees from all backgrounds for qualifications right through to the final.

Eiffage employees also organise other sporting initiatives themselves. The club Les Furets d'Eiffage, established in 2002, arranges regular meetings and social activities for employees keen on running. The club is affiliated with the French athletics federation and has 250 registered members who compete at major events, such as the New York and Paris marathons. —

Portraits

Estelle, runner-up in the World Taekwondo Championships

Name: Estelle Vander-Zwalm
Age: 22
Sport: taekwondo
Title: runner-up in the 2012 World Taekwondo Championships

Estelle Vander-Zwalm came second in the 2012 World Taekwondo Junior Championships and made it to the last 16 in the 2017 senior championships. She is also a student at the EDHEC business school. Under the French Ministry of Sports' Performance Pact, she joined Eiffage in September 2018 as an apprentice business development officer. She explains what her experience at Eiffage has in common with her sporting values: "Hard work and having goals to reach, teamwork, listening skills and constantly driving to improve are all essential values in my daily working life." —

Estelle Vander-Zwalm, runner-up in the World Taekwondo Championships and business development officer at Eiffage.

Kenji, winner of the World Karate Championships

Name: Kenji Grillon
Age: 29
Sport: karate
Title: world champion

Several-time winner of the World Karate Championships and captain of the French team, Kenji Grillon joined Eiffage Énergie Systèmes in December 2018 under the French Ministry of Sports' Performance Pact. Kenji's goal is to win a medal at the 2020 Olympic Games in Tokyo. He enjoys the collaborative nature of his work for the Group: "In business – just like in sport – you're set a challenge, and there's a lot of hard work, especially team work. Perseverance may well be the primary quality of a karate champion, and I hope to demonstrate that in my work at Eiffage." —

Kenji Grillon, winner of the World Karate Championships and safety and prevention officer at Eiffage.

The Eiffage Foundation

Support to engage

27
projects supported by the Foundation in 2018

The Eiffage Foundation continued to reach out to communities in 2018, working alongside our increasingly engaged employees. In 2019, our priority will be to intervene at the earliest possible stage to support populations in need.

In 2018, the Eiffage Foundation continued to pursue its mission of helping people struggling to find and stay in employment. The programmes covered a wide range of areas (training and employment as well as housing, sport and culture), but all the projects it supports have one thing in common – offering access to employment for those in need.

With its budget increasing to €2.5 million for the next five years, the Foundation's priorities have changed slightly. Frédérique Alary, Chief Executive Officer of the Eiffage Foundation, explained, "we decided to shift our focus away from curative onto preventative programmes, while continuing to work in the same way – supporting our employees' outreach commitments and developing selective multi-year partnerships."

The Étincelle network supports young entrepreneurs at the start of their careers

Employee involvement – the cornerstone of our Foundation

— Group employees, both those still working and those who have retired, show their commitment in two ways. Firstly, the Eiffage Foundation supports organisations with which employees are already involved. The Maison de Joseph project, which helps homeless people find accommodation and work, is a prime example. Secondly, some of them volunteer for organisations that partner with the Foundation. For example, they support jobseekers via the New Solidarity in the Face of Unemployment (*Solidarités Nouvelles face au Chômage*) non-profit organisation, assist entrepreneurs in the most disadvantaged areas by joining the Positive Planet network, and mentor students and support young people through the Article 1 organisation.

The Jardins de Cocagne network is another partnership that has received strong backing from Eiffage employees. Under the programme, 110 fully organic vegetable farms help to combat exclusion and assist those living at the margins of society by taking on and supporting 4,000 gardeners in work integration programmes across France.

Delivering effective results over the long term

— In addition to ad hoc assistance, long-term engagement is needed to help people find their place in the workforce. To that end, the Eiffage Foundation sets up multi-year partnerships with certain organisations, such as the Solidarauto network of community outreach garages. Commenting on this partnership, Frédérique Alary said, "with 40% of jobseekers having to turn down jobs because they have no way of getting there, these community outreach garages play a crucial role. They help those in need solve their transport problems by selling and repairing vehicles at subsidised prices."

The long-term unemployment reduction initiative (*Territoires zéro chômeur de longue durée*) was set up on 7 October 2016 to support the non profit organisation ATD Fourth World. The initiative channels unemployment insurance funds into creating long-term jobs. Thanks to this project, the long-term unemployed are paid the minimum wage to carry out work that helps the local community – meeting the needs of residents, businesses or local authorities – at no additional cost to the local authority.

Strategy for 2019: prevention is better than the cure

— The Eiffage Foundation aims to intervene at the earliest possible stage to support communities in need through prevention initiatives. It helps young people living in officially recognised disadvantaged areas to succeed at school, with sport playing a major role. It also supports migrants as they learn to read and write in French. —

"Eiffage's employees and retirees have enthusiastically risen to the challenge of helping people in need find work." —

Frédérique Alary,
Chief Executive Officer of the Eiffage Foundation

An employee on the Emmaüs Défi integration programme

Projects

Article 1: helping young people from disadvantaged backgrounds succeed

Multi-year partnership
Supporting almost **12,000** young people
€90,000 of grant funding

The Eiffage Foundation partners with Article 1, an organisation that supports almost 12,000 students every year, right through to graduation.

The Article 1 organisation was formed in 2018 through a merger between Passeport Avenir and Frateli, two large non-profit organisations working to achieve equal opportunities. Working in partnership with universities, higher education institutions and businesses, it supports and guides young people from disadvantaged backgrounds so that they can thrive at school and find jobs.

In their free time, our employees can volunteer to support young people with high potential from disadvantaged backgrounds, individually or in groups, by mentoring them or running workshops at high schools or with students. They help them grow their self-confidence, introduce them to the world of work and show them how to build a professional network.

The initiative has been remarkably effective; 100% of the graduates supported by the programme were hired within six months of completing their course. We extended our commitment for a further three years in 2018. Our grant funding totalled €90,000 between 2015 and 2018, a level that will be maintained until 2021 in order to develop Article 1's programmes throughout France. —

153
Eiffage employees acting as mentors and/or programme leaders in 2018-2019

Mentors offer young people career support

Career guidance for high school students supported by Article 1

Projects

Électriciens sans frontières: electricity for education

Sponsored project
Location: Vekky (Sô-Ava, Benin)
Funding from the Foundation: **€10,000**

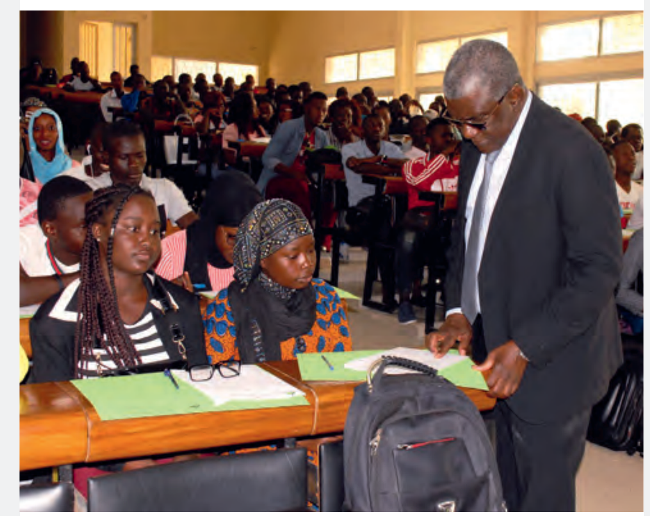
The NGO electricians without borders (**Électriciens sans frontiers**) aims to provide access to electricity and water for deprived rural communities in 30 countries, with support from the Eiffage Foundation. The Eiffage Foundation has supported initiatives fostering social inclusion and access to employment for marginalised people, particularly through training, since it was founded. In 2018, Électriciens sans frontières was called in to electrify primary schools and a middle school in 17 remote villages in the Vekky district of southern Benin, and to provide adult literacy classes. The goal was to improve the availability of classrooms for children and teachers and to improve education levels in that part of the country. —

Électriciens sans frontières electrifies schools to improve the availability of classrooms and boost education levels.

RéaVie: an experimental back-to-work programme in France

Sponsored project
Location: Hauts-de-Seine (France)
Funding from the Foundation: **€15,000**
12 employee volunteers

The Eiffage Foundation supports RéaVie, a non-profit organisation that hires people who are struggling to find work as part of its drive to create an experimental platform for recycling waste worksite materials. RéaVie has 12 employee volunteers who are all construction professionals. In 2018, the organisation launched an initiative to reuse materials from the demolished École Centrale school of engineering in Châtenay-Malabry (Hauts-de-Seine department). The organisation recovered the school's decommissioned lecture theatre. After extensive cleaning and reconditioning, it was sent to Ussein University in Senegal. —



The lecture theatre from the École Centrale school near Paris has been reused at the Ussein University in Senegal.

General and financial and non-financial information

Directors' report

(The Directors' report as submitted to the general meeting includes all documents contained in the 2018 Registration Document).

The Group recorded a solid overall performance in 2018, marked by increases in revenue and in operating profit on ordinary activities at all divisions, a further decrease in finance costs, and a strong increase in profit attributable to the equity holders of the parent,(1) up 22.1% compared with 2017. Given its strengthened balance sheet, together with a 15% increase in its order book, Eiffage can look forward to 2019 with serenity.

In 2018, the Group generated consolidated revenue of €16.6 billion, a sharp rise of nearly 10% on a reported basis (5.8% like-for-like), fuelled by both contracting and concessions, which recorded growth of 10.9% and 5.6%, respectively. International operations posted another year of strong growth (up 34.1%), driven by sustained internal demand (up 16.2%) as well as material acquisitions completed towards the end of 2017 (Saipem's maritime civil engineering business) and early 2018 (Priora in Switzerland and Kropman in the Netherlands).

Motorway traffic remained buoyant for heavy goods vehicles, but exceptional factors affected numbers of passenger cars & light commercial vehicles. In the first half of the year, the latter category was boosted by disruption to rail services in France. However, in the second half, it was hindered by the "*gilets jaunes*" movement which, among other disturbances, prevented toll collection.

Consolidated revenue by division for the year ended 31 December 2018

In millions of euros	31/12/2017	31/12/2018	Actual growth	Like-for-like* growth
Construction	3,868	4,001	+3.4%	– 3.1%
Of which Property	963	845	–	–
Infrastructure	4,704	5,537	+17.7%	+13.4%
Energy Systems	3,782	4,160	+10.0%	+5.3%
Subtotal contracting	**12,354**	**13,698**	**+10.9%**	**+5.8%**
Concessions *(excl. Ifric 12)*	2,727	2,879	+5.6%	+5.9%
Total Group *(excl. Ifric 12)*	**15,081**	**16,577**	**+9.9%**	**+5.8%**
Of which:				
France	11,911	12,327	+3.5%	+3.0%
International	3,170	4,250	+34.1%	+16.2%
Europe *(excluding France)*	2,700	3,431	+27.1%	+11.4%
Outside Europe	470	819	+74.3%	+43.8%
Construction revenue of concessions *(Ifric 12)*	313	311	n.s.	n.s.

* **Constant scope** is calculated by neutralising:
– the 2018 contribution made by companies consolidated for the first time in 2018;
– the 2018 contribution made by companies consolidated for the first time in 2017, for the period equivalent to that in 2017 before the first-time consolidation;
– the 2017 contribution made by companies deconsolidated in 2018, for the period equivalent to that in 2018 after they were deconsolidated;
– the 2017 contribution made by companies deconsolidated in 2017.

Constant exchange rates: 2017 exchange rates applied to 2018 local currency revenue.

(1) Excluding non-recurring adjustments to deferred tax assets due to the decrease in the French corporate income tax rate, resulting in additional profit of €33 million in 2017 (no impact on 2018).

Operating profit on ordinary activities came to €1,857 million, corresponding to an operating margin of 11.2%, down from 11.5% in 2017, due to a stronger increase in activity for contracting than for concessions. However, following margin improvement in both contracting (up 10 bps to 3.6%) and concessions (up 50 bps to 48.8%), operating profit on ordinary activities increased by 7.2%. The decision taken by the Group to award a one-off bonus to boost purchasing power among eligible employees had a significant, non-recurring impact on operating profit generated by the holding company in 2018.

Operating profit on ordinary activities by division for the year ended 31 December 2018

	2017		2018		
	In millions of euros	% of revenue	In millions of euros	% of revenue	% change
Construction	156	4.0%	155	3.9%	–0.6%
Infrastructure	119	2.5%	151	2.7%	+26.9%
Energy Systems	158	4.2%	182	4.4%	+15.2%
Subtotal contracting	**433**	**3.5%**	**488**	**3.6%**	**+12.7%**
Concessions	1,317	48.3%	1,404	48.8%	+6.6%
Holding company	(18)		(35)		
Total Group	**1,732**	**11.5%**	**1,857**	**11.2%**	**+7.2%**

Net profit attributable to equity holders of the parent, excluding the non-recurring adjustment for deferred tax assets, increased by 22% to €629 million (from €515 million in 2017, before the non-recurring adjustment for deferred tax assets). It was buoyed by the operating performance mentioned above and, for the fourth consecutive year, by a significant reduction in finance costs.

The Group's net debt (including both bonds and bank debt) was €10.5 billion, representing a slight increase of €169 million, during a period marked by significant investments in acquisitions and shareholdings (€528 million) to strengthen its European foothold in contracting and concessions.

With regard to financing, Eiffage extended the maturity of its €600 million trade receivable securitisation programme by two years to March 2023, and set up a €1 billion Negotiable European Medium Term Note (NEU MTN) programme.

APRR carried out a €0.5 billion bond issue in 2018 and another issue of the same amount in January 2019, both with long maturities (2030 and 2028, respectively). These transactions will help reduce the Group's finance costs in coming years and further extend the overall maturity of its debt. In addition, A'liénor, the concession operator for the A65 motorway, refinanced its debt.

The contracting order book amounted to €13.9 billion at 31 December 2018, an increase of 15% from 31 December 2017.

Contracting order book by division at 31 December 2018

In billions of euros	2017	2018	% change
Construction	4.3	4.4	+3%
Infrastructure	4.9	6.3	+29%
Energy Systems	2.9	3.2	+9%
Total	**12.1**	**13.9**	**+15%**

Other order books

Property	0.7	**0.6**	**–16%**
Concessions	1.1	**1.1**	**–4%**

Subsequent events

On 28 January 2019, in line with the memorandum of understanding signed in September 2018, Eiffage finalised the acquisition of the Meccoli group, specialising in the installation, maintenance and replacement of railway tracks and overhead power lines in France. The Meccoli group has nearly 500 employees and generates annual revenue of nearly €100 million.

With this new acquisition, Eiffage reaffirms its presence in the railway infrastructure market both in France and internationally and further strengthens its position as a recognised player in this sector.

Revenue generated by concessions (excluding Ifric 12) increased by 5.6% to €2,879 million.

Motorway concessions in France

Revenue contributed by the **APRR network** increased by 4.7% to €2,538 million.

Traffic, as measured by the number of kilometres travelled, recorded another rise in 2018, up 2.2% overall, with increases for both passenger cars & light commercial vehicles (1.7%) and heavy goods vehicles (4.7%). It reached a high point at the end of the first half, with particularly strong traffic growth in February and March due to relatively unusual snow conditions and a positive impact from the rail disruptions in April and May, before being hindered at the end of the year by the "*gilets jaunes*" movement.

The Ebitda margin improved to 73.8% in 2018 (from 73.2% in 2017) and operating profit on ordinary activities came to €1,408 million. This good operating performance was due to sustained traffic levels and continued efforts to control operating costs.

The APRR group contributed a total of €829 million in net profit to Eiffage's consolidated profit, including the contribution of its holding company, Financière Eiffarie, and the amount attributable to non-controlling interests.

Investments came to €424 million in 2018. The year was marked by a ramp-up of work on large infrastructure investments in fulfilment of commitments arising from the contracts under the APRR and AREA plan and from the French government's motorway stimulus plan.

The A6/A89 interchange north of Lyon and the widened A71 north of Clermont-Ferrand were opened to traffic in the first half of the year. Work on other projects was launched or continued in 2018, notably the widening of the A6 motorway at Auxerre and the northern section of the A41 at Annecy to accommodate three lanes of traffic in both directions, the reconfiguration of the interchanges between the A36 motorway and the RN1019 trunk road south of Belfort, between the A71 motorway and the Route Centre Europe Atlantique (RCEA) at Montmarault, between the A406 motorway and the RCEA at Mâcon, and between the A43 motorway, the A41 motorway and the VRU urban expressway at Chambéry. Preparatory work is under way for the two major cross-city routes through Clermont Ferrand (A75) and Grenoble (A480) and the main phase of works is due to be launched in spring 2019.

APRR and AREA have signed a new motorway investment plan with the French government, amounting to nearly €190 million. Amendments to the corresponding concession contracts were ratified by decrees of the Council of State published in France's official journal on 8 November 2018. This plan calls for investments in about 12 projects, a number of which are to be coordinated with local and regional authorities, and in particular involves the following:

- → the creation of two new interchanges;
- → the construction of 19 large wildlife crossings as well as facilities for water treatment and protection of the natural environment;
- → the creation of some 2,000 additional parking spaces for car-pooling.

These investments will help accelerate the development and modernisation of the network, especially with respect to the protection of the environment and services provided to customers.

The modernisation of toll collection continued in 2018, with the proportion of automated transactions increasing to 99.4% from 98.9% in 2017. The roll-out of non-stop toll lanes continued at all toll plazas located near urban centres, with electronic toll collection accounting for 58.7% of transactions, up from 57.6% in 2017. The number of electronic toll collection tags managed by the Group now stands at almost 2.7 million. This number has been buoyed by the APRR group's launch of the TopEurop tag in 2017, the first tag distributed by a motorway concession operator in France providing full interoperability of toll services on motorway networks in France, Spain, Portugal and Italy. This new tag system has met with considerable success, having been adopted by over 200,000 subscribers at the end of 2018.

As regards road safety across the network, the Group recorded a clear drop in the number of fatal accidents, to 32 in 2018, down from 39 in 2017 and 40 in 2016.

The considerable progress made in the prevention of occupational accidents over the last few years continued in 2018, with further reductions in the workplace accident frequency and severity rates, to 5.2 and 0.39, respectively. The active engagement of all employees and management and the roll-out of the SafeStart® training programme across the network have been key factors in these successes.

In terms of structure, the adoption of common operatorship for both APRR and AREA, introduced at the start of 2017 as part of the "Synergie" initiative, has resulted in greater efficiency and coherence and enhanced service quality. 2018 saw the inauguration of the "Cohérence" project, which relates to operations in the broadest sense, with efforts focused in particular on the Engineering and Information Systems departments. Its goals are to further simplify and streamline the functioning of these two departments, to optimise the delimitation of regions so as to cut back on travel and to strengthen the customer services teams in line with the business plan for the period to 2020.

As part of this business plan, APRR has stepped up efforts to develop its customer service offer, accelerate the development of innovation and facilitate the Company's digital transformation, a driver of gains in productivity and improved working conditions.

To meet the goals of this transformation, there has been a series of operational launches implemented at regular intervals. Nearly 60% of the Company's business processes will be digitised by the end of 2019. Furthermore, the Group is convinced of the benefits of the project launched in early 2018 focusing on the use and management of data in order to better understand customer behaviours and better meet their expectations.

Tariffs were raised on 1 February 2019, by 1.8% for APRR and 2.0% for AREA, in application of the tariff formulas contained in the latest amendments to the concession contracts. Also on 1 February 2019, the Group introduced a new 30% discount offer applying to all trips made by frequent users of a given route (more than ten return trips each month).

APRR issued €500 million of bonds on 14 November 2018, maturing in January 2030 with a 1.5% coupon, and another €500 million of bonds on 10 January 2019, maturing in January 2028 with a 1.25% coupon.

Revenue generated by the **Millau viaduct** was up 2.3% to €49.9 million, despite the 2.1% drop in traffic overall (down 2.6% for passenger cars & light commercial vehicles and up 3.1% for heavy goods vehicles). CEVM, the concession operator for the Millau viaduct, began the initial bidding process for the programme to upgrade the viaduct's corrosion protection, with the first phase of works due to run from 2019 to 2023.

A'liénor, the concession operator of the A65 motorway between Pau and Langon, recorded a 3.3% increase in traffic overall, including a 3.0% rise for passenger cars & light commercial vehicles and a 6.2% rise for heavy goods vehicles. Revenue increased by 8.6% to €62.7 million. The Company successfully refinanced its debt in July 2018, arranging a new ten-year credit facility of €825 million.

Adelac, the concession operator of the northern section of the A41 motorway between Annecy and Geneva, recorded a 1.1% rise in overall traffic (with increases of 1.0% for passenger cars & light commercial vehicles and 6.5% for heavy goods vehicles). The Company made a profit for the first time, after in 2017 it completed the amortisation of the additional payment made in 2016 for the early unwinding of the interest rate hedging instruments set up for the initial debt.

Société Marseillaise du Tunnel Prado-Carénage (SMTPC), in which Eiffage has a 32.9% stake, recorded a 3.6% decrease in revenue compared with 2017. This was due in particular to the entry into service in October 2018 of the L2 Nord orbital motorway, a rival toll-free route. The proposed amendment to the concession contract, providing for the development of a new exit from Prado Carénage tunnel onto Marseille's Boulevard Schlœsing to connect the motorway to the city's southern districts, is awaiting an opinion from the European Commission on the project's compatibility with EU rules for state aid in the form of public service compensation.

Traffic through the Prado Sud tunnel, in which Eiffage has a 41.5% stake and which constitutes the southern extension of the SMTPC concession, increased by 7.8% in 2018. The Company successfully refinanced its debt in September 2018 by arranging a new €118 million credit facility.

Concessions and public-private partnerships (PPPs)

In Senegal, the government has asked Senac SA to lower its toll levels, which would result in a decrease from 3,000 to 2,000 CFA francs for the route linking the centre of Dakar to the airport. Negotiations are currently under way in response to this request and may possibly lead to an extension of the concession's term within legal limits, or other compensatory measures. Traffic growth continued in 2018, following the opening of Blaise Diagne International Airport in December 2017, with revenue up 28.8% to €46.1 million.

Work on the **A94 motorway** in Bavaria is proceeding to schedule and was more than 90% complete at the end of the year. This project, undertaken in partnership with German companies BAM and Berger Bau, is the first public-private partnership for a motorway won in Germany by Eiffage. The earthworks and engineering structures are nearing completion and work on the roadways is advancing as planned. Additional staff are being assigned to the operations and maintenance teams in readiness for the opening to traffic of the motorway section in October 2019.

Railway infrastructure

For the Bretagne–Pays de Loire high-speed rail line, Eiffage and the SNCF have found a solution to ensure the compatibility of Z-TER trains with high-speed rail infrastructure. These trains were thus able to be returned to use on the line on 1 September 2018; no new incident has been reported since the return to service under the supervision of maintenance teams.

The functioning of the high-speed rail line has proved to be highly satisfactory and the involvement of Opere's teams, responsible for the line's maintenance, has been exemplary. Revenue generated under the public-private partnership and for the line's maintenance came to €96.5 million in 2018, the first full year of operation.

Other public-private partnerships and concessions

As regards the broadband networks developed by Eiffage under public service delegations, these projects have seen their financial situation stabilise. Nonetheless, discussions are under way with the awarding local authorities to restore the projects' financial equilibrium or negotiate their termination. Along these lines, a memorandum of understanding was signed with the Côtes-d'Armor departmental council on 20 November 2018 to bring an end to the related concession before its expiry.

In addition to the 21 home matches of Lille Olympique Sporting Club (LOSC), its resident association football club, **Stade Pierre-Mauroy,** hosted an exceptional programme of sporting events: the inaugural Men's Volleyball Nations League finals bringing together the top six teams in the world, the Davis Cup semi-finals (France vs Spain) and finals (France vs Croatia) in tennis, and the international rugby union test match between France and Argentina.

The smooth transition between the France-Argentina match held on Saturday evening (17 November 2018) in the full 50,000-seat stadium setup and the start of the warm-ups for the Davis Cup final on Wednesday morning (21 November) in the arena setup with clay courts was particularly noticed and applauded by the organisers and in media coverage. This impressive technical and logistical feat showcased the stadium's versatility and the unrivalled expertise of its personnel. Although fewer major international concert tours were hosted at the venue in 2018 than in 2017, a record-setting year, this decline was partially offset by a significant increase in corporate events. In 2018, the stadium generated revenue of €30 million.

The dispute with Métropole Européenne de Lille (MEL) is still being heard by the Lille administrative court. Among other matters, it concerns the interpretation of certain contract clauses and the payment of compensation for the construction cost overruns resulting from delays securing the building permit and the improvements made to the stadium.

In close proximity to the stadium, work on the building that will house Orange's regional headquarters in northern France progressed as scheduled in 2018. The structural work was finished in July 2018; the mechanical and electrical packages and the architectural packages are due to be completed by end-April 2019. This 19,000 m² office development by Eiffage Immobilier Nord will be handed over to Orange in August 2019 and will provide the professional base to around 1,300 of its employees from November 2019. The building will help inject fresh momentum in the area around the stadium and is expected to boost business for the hotels and stores located nearby.

The middle schools in Saint-Raphaël and La Seyne, each with a capacity of 800 students, were delivered on 19 February 2018 on time and to the satisfaction of the customer, the Var departmental council.

After having successfully delivered the animal centre for **Université de Lorraine** in October 2017, Eiffage Concessions handed over the main building for its new Medical Biology unit in May 2018.

Work on **Aquapôle, the new aquatics centre in Amiens,** continued during the year and is now more than 65% complete. The structural work is finished, the building envelope has been completed and the swimming pools are nearing completion. The facility is due to open in summer 2019.

In October 2018, Eiffage Concessions signed a design, build, finance and operate (DBFO) concession contract with the City of Reims for its new **multi-purpose arena,** together with the refurbishment/restructuring and operation of the city's existing convention centre and exhibition centre. The contract, for which GL Events will take charge of operational aspects, covers a period of 25 years and involves an investment of nearly €75 million. The refurbished convention centre will be delivered in October 2019, the restructured exhibition centre in February 2021 and the multi-purpose arena in October 2021.

In November, Eiffage Concession was also named as the preferred bidder for the partnership relating to the rehabilitation and restructuring of the Îlot Perrée building, in the 3rd arrondissement of Paris. The contract for this development, with the aim of bringing together the police stations for the city's first four arrondissements on the same site, was signed on 19 February 2019.

Lastly, Eiffage Services, the subsidiary specialised in the operation and maintenance of facilities developed under public-private partnerships, recorded a further improvement in its profitability, driven in large part by its efforts to improve risk management, and won three new multi-technical maintenance contracts in 2018 (the Reims multi-purpose arena, the Optimum building in Neuilly-sur-Seine and the "Agnès et Matéo" long-term care facility in Cysoing, near Lille). In 2018, the Company generated revenue of €27.8 million.

Revenue generated by the Group's **contracting divisions** surged 10.9% in 2018 to €13.7 billion, driven by strong internal momentum (a boost of 5.8%) and the finalisation of several acquisitions between late 2017 and early 2018. International growth has accelerated (up 34.2%, and 16.1% on a like-for-like basis). International operations now account for nearly 31% of contracting revenue, compared with 19% five years ago.

Eiffage Énergie Systèmes was adopted as the umbrella brand for the Group's activities in the energy sector at the end of 2017.

The **Energy Systems** division aims to achieve dense coverage of the regions in which it operates so as to be closer to customers, provide reliable and highly responsive services, and offer a high level of technical know-how spanning its multiple areas of expertise.

Revenue contributed by Eiffage Énergie Systèmes came to €4,160 million in 2018, growing strongly by 10.0% year on year, fuelled not only by acquisitions (5.2% contribution), but also a very upbeat performance by international operations (up 16.1% on a like-for-like basis). Operating profit on ordinary activities increased by 15.2% to €182 million, resulting in an operating margin of 4.4%, up from 4.2% in 2017. At 31 December 2018, the division's order book totalled €3.2 billion (up 9% year on year), corresponding to 9.3 months of operations.

Whereas efforts in 2017 focused on the assessment phase of the business plan, which involved the surveying and mapping of the division's know-how and expertise, 2018 was the year of its operational roll-out, with the key objective of putting customers at the centre of the business. Accordingly, for Eiffage Énergie Systèmes' four main markets – manufacturing, service sector, infrastructure and networks, municipalities and local authorities – the division is now organised in terms of business segments reconceptualised as market-based priorities. This cross-cutting, customer-centric organisation is no longer shackled by internal corporate structures. For each market segment, it promotes communication, allowing all the division's skills and areas of expertise to be brought into play, building close yet highly specialised relationships with customers to provide them with the best and most comprehensive solutions. These priorities – more than 30 in all – are already in use and are poised to drive growth for Eiffage Énergie Systèmes. Management by way of these priorities allows for a more comprehensive understanding of each market. At the same time, they ensure a greater capacity to anticipate, innovate and remain proactive, as the solutions developed by Eiffage Énergie Systèmes offer a key competitive advantage. Furthermore, they ensure the division remains closely attuned to end-user behaviours and requirements and able to identify the related services that, more than ever before, it must take it upon itself to offer.

To support this organisation in terms of market-based priorities, Eiffage Énergie Systèmes has opted to roll out new brands dedicated to each market with the further aim of enhancing the visibility of its solutions:

- → **Clemessy,** the industry brand
- → **Dorsalys,** the infrastructure and networks brand
- → **Expercité,** the brand for cities and local authorities
- → **Terceo,** the commercial sector brand

In addition, the division has always had dedicated brands for its specific areas of expertise or technology niche segments. These other brands – 13 in all – enjoy customer recognition (Secauto for industrial analysis, Barep for valve repair and maintenance, etc.). It was along these same lines, and in order to reaffirm its number three position in France in energy and HVAC engineering, that the **Clévia** brand was created at the end of 2017.

For services to the manufacturing sector, where the division's activities are now grouped under the **Clemessy** brand and focused on the optimisation of industrial production, the organisation in terms of market-based priorities is more mature. It is already driving steady growth in a number of core segments. In France and around the world, customers in the most demanding industries, including the nuclear, aeronautics and aerospace, automotive, pharmaceutical and petrochemical sectors, but also metallurgy and energy production, place their trust in Eiffage Énergie Systèmes. One of the highlights of the year was when our teams delivered the automated booster nozzle production shop for the Ariane 6 and Vega-C solid rocket motors, which was inaugurated by ArianeGroup in July 2018. In addition, work under the four contracts for the ELA-4 launch pad in French Guiana designed for Ariane 6 has continued. In the nuclear sector, another critical ongoing project involves the installation of general electrical systems and emergency diesel generators (EDGs) in France for EDF. Furthermore, conditions remain buoyant in the petrochemical sector in the area of industrial maintenance. Several scheduled outages for production units were handled during the year, which also saw the continuation of work under the maintenance contract for Total's Donges refinery. Lastly, the division's position as a provider of highly specialised expertise for certain market segments was reinforced with, among other achievements, the signing of three contracts for the refurbishment of coils and mechanical repairs on 30 pump motors for EDF.

In infrastructure and networks, under the new **Dorsalys** brand launched in December, Eiffage Énergie Systèmes is strengthening connections between communities and regions by developing energy, transport and telecommunications infrastructure. The outlook for this last sector is enjoying a marked surge due to the continued trust in the division's services demonstrated by Orange. As part of its programme to accelerate the roll-out of fibre optic broadband to more households in France, Orange selected Eiffage Énergie Systèmes to design and install 800,000 FTTH optical network terminals throughout the country. Studies were launched at the end of 2018 and work began in early 2019. This substantial contract involves the recruitment and training of 400 people. Another major contract win, as part of a consortium with Vinci Énergies, involves the development of electrical infrastructure for Line 15 South of the Grand Paris Express underground rail network. As regards electric power transmission and distribution, the division is bringing a range of expertise to the fore. Projects for transmission lines include, on the design side, the launch of innovative work to create a 400-KV line between Avelin and Gravelle in the Hauts-de-France region of France and, on the construction side, the installation of two 192-metre pylons for the port of Antwerp in Belgium. Projects for substations include the contract, awarded by EDF and covering a period of at least eight years, for the refurbishment of outdoor substations connected to nuclear power plants with 900-MW reactors. Outside France, 2018 was marked by the delivery of two standout projects: the electrical interconnection between Ghana and Burkina Faso at the start of the year and the extension work on a system of 225-KV transmission lines and substations between two towns in western Senegal at the end of the year.

In the commercial sector, innovative multi-technical solutions are offered under the **Terceo** brand, whose teams aim to improve building performance and enhance connectivity for the benefit of users. Perhaps the finest illustration of this ambition came in March 2018 when the City of Paris launched Europe's largest building energy performance monitoring system. The teams were tasked with setting up this system, which involved installing a network of smart sensors on boilers in public buildings as well as the development and implementation of software to organise and access the data collected. In this same spirit of innovation, Eiffage Énergie Systèmes was awarded the building management and automation contract for the future inpatient rehabilitation facility at Hôpital Saint-Jacques, part of the Nantes university hospital system. Work began in June with the aim of setting up a ground-breaking system, accessible to technicians for site operation and maintenance, but also to hospital staff, who will be able to better manage the equipment they use on a daily basis. In addition, equipped with interactive tablets (whether stationary or mobile) or smartphones, patients will be able to manage their room environment themselves (lighting, opening and closing of roller shutters, television, etc.). Alongside their major projects, the teams are also adept at delivering bespoke solutions, particularly for refurbishment. At the end of 2018, Clévia's teams had completed most of the HVAC engineering work for Citéco, a new museum in Paris intended to introduce a wider audience to the mechanisms of the economy, housed in a 19th-century mansion.

For services to cities and local authorities, the division's activities are now grouped under the **Expercité** brand. Expercité works on both new-build and maintenance projects, with services ensuring comfort and quality of life for residents, while also offering solutions to address challenges related to urban mobility, safety and security. Energy performance is a prime concern for customers. We began the year by signing several multi-year contracts in this area, whether for street lighting alone, as in the town of Lédenon, near Nîmes in southern France, for example, or street lighting, traffic lights and illuminations, as is the case for the eastern Paris suburb of Noisiel. In heritage enhancement, the division was recognised with a special mention at the 2018 Lumières competition for its architectural lighting of the Beatus-Rhenanus tramway and pedestrian bridge on the Rhine connecting the cities of Strasbourg in France and Kehl in Germany. Work under the 15-year public-private partnership awarded to the teams by the town of Bruay-sur-l'Escaut in northern France continued in 2018 and primarily involves the refurbishment of street lighting, heritage enhancement, and the reinforcement of the town's videoprotection system. The year ended with the grand opening near Montpellier of the division's first showroom dedicated to its building management and automation offering. A genuine demonstration unit for customers and partners, the showroom presents the solution developed by Eiffage Énergie Systèmes and the full range of services it provides. The teams plan to set up a second demonstration unit in northern France to raise the profile across the region of this powerful disruptive innovation solution.

In Europe, revenue grew by 39.1%. In Italy, Galli followed the delivery of the office development for Cernaia by winning two new contracts, thus confirming its strong position in the commercial market. In Belgium, the subsidiary VSE renewed its strategic framework agreements for the maintenance of the Brussels metro and traffic lighting in Flanders. A highlight of the year was the entry into service in mid-December of the junction tunnel between the Brussels Nord and Brussels Midi train stations, whose ventilation and HVAC engineering facilities were jointly developed and installed by several of the division's French and Belgian subsidiaries. In Germany, the division continued to expand its footprint, particularly in the automotive sector with the subsidiary NAT. In Portugal, JJTomé was awarded the contract for the mechanical and electrical packages at Lisbon's largest hospital and successfully delivered its project for the Nova School of Business and Economics. In the Netherlands, Kropman reported very good earnings for the first year following its acquisition, with achievements including the signing of two projects in the pharmaceutical sector, for Produlab Pharma and Kite Pharma. Lastly, as the spearhead for expansion by Eiffage Énergie Systèmes in Europe and the rest of the world, Eiffage Energía in Spain again delivered a robust performance, primarily by becoming Iberdrola's leading partner in the country, with a market share of more than 20%. The division's photovoltaic business continues to see strong growth, with contract wins for solar farms totalling 1,000 MW in Spain and further expansion in Latin America. An initial order was signed with Neoen for more than 50 MW in Jamaica.

The Infrastructure division comprises three business lines: road construction, civil engineering, and metallic construction.

Revenue generated in 2018 came to €5,537 million, a strong 17.7% increase year on year, fuelled by acquisitions (4.3% contribution), the start of work on Grand Paris Express projects and the buoyant road works sector in France. Operating profit on ordinary activities increased by 26.9% to €151 million, resulting in an operating margin of 2.7%, up from 2.5% in 2017. At 31 December 2018, the division's order book totalled €6.3 billion (surging 29% year on year), corresponding to 13.7 months of operations.

Road construction in France

In 2018, Eiffage Route recorded significant growth in revenue (up 8.9%) and in its order book, driven both by stronger business volume outside the Paris region and several major projects signed in 2017 or 2018 relating to reserved lane public transport systems, bus rapid transit systems and tramways in Caen, Angers, Nîmes and Massy/Évry.

Furthermore, Eiffage Route has seized several acquisition opportunities to improve its geographical coverage, with an emphasis on quarries. In October, Eiffage Route acquired the quarries and road works companies of the Migné group based in the Vendée and Deux-Sèvres administrative departments in west-central France. With its quarries producing around 2,200,000 tonnes of aggregates annually, Migné employs 220 people and generated revenue of nearly €40 million in 2017. At the same time, Eiffage Route acquired several Razel-Bec quarry sites located near Agen and Muret in southwest France, with about 30 employees, producing around 800,000 tonnes of alluvial aggregates per year and generating annual revenue of €8 million.

Civil engineering in France

2018 will be remembered as a turning point for Eiffage Génie Civil's activities in France. The ramp-up of Grand Paris Express projects has resulted in unprecedented growth in business activity and workforce numbers. Alongside the three underground works projects launched in previous years (Line 14 North, the extension from Haussmann Saint-Lazare to Porte Maillot as part of the Eole project for the RER E and the T2B works package for Line 15), Eiffage Génie Civil was awarded two major contracts as a consortium member in 2018:

- ➔ works package 1 for Line 16, the largest single contract for the Grand Paris Express, signed with Sociéte du Grand Paris and worth over €1.8 billion. It involves drilling more than 19 km of tunnels, building 18 related rail structures, laying railway tracks, and installing overhead power lines and linear equipment;
- ➔ the GC03 works package for the future Line 14 South, signed with RATP, which will link the Olympiades metro station to Orly Airport. This €365 million contract covers the drilling of a 4-km tunnel and the construction of three stations.

These projects, all now fully under way, represent a technical and manpower challenge allowing Eiffage Génie Civil to demonstrate the broad range of its expertise in service of exceptional projects: tunnels, earthworks, engineering structures, demolition, deep foundations and track laying. These contracts also provide the Company with a record level of business in the Paris region for the next several years.

Eiffage Génie Civil's operations in France outside the Paris region have adapted to relatively low activity levels by optimising their structures and targeting cities experiencing rapid growth as well as earthworks and engineering structure projects undertaken by motorway concession operators.

In French Guiana, teams bringing together staff from Eiffage Génie Civil and the Infrastructure division's other business lines have continued their work on the future Ariane 6 launch pad in Kourou for the Centre National d'Études Spatiales (CNES), with handover of this complex structure scheduled in 2019.

In January 2019, Eiffage carried out the acquisition of the Meccoli group, specialising in the installation, maintenance and replacement of railway tracks and overhead power lines. The Meccoli group has nearly 500 employees and generates annual revenue of about €100 million. With this new acquisition, Eiffage reaffirms its presence in the railway infrastructure market both in France and internationally and further strengthens its position as a recognised player in this sector.

Metallic construction

Eiffage Métal has continued to grow its business in France and in export mode, bringing its expertise to bear for technically complex projects, such as the construction of the Le Monde group's future headquarters in Paris, canopies for the Riyadh metro in Saudi Arabia and the refurbishment of lifts at the Eiffel Tower.

Eiffage Métal's strategy aimed at fully capitalising on the potential and know-how of its various operations throughout Europe is exemplified by the Deutsche Bucht offshore wind farm project in the North Sea (substation and jacket foundation) and also in connection with the Ariane 6 project, for which Eiffage Métal's French teams are working alongside those of its German subsidiary SEH.

Revenue generated by Smulders declined slightly relative to its exceptional level in 2017, but remained high in historical terms, driven by the strong momentum of the offshore wind farm market in the North Sea. For its part, SEH is reaping the benefits of dynamic growth in the German transport infrastructure market for its long-standing business in engineering structures, illustrated in particular by the construction of the steel deck for the Hochmosel bridge. Eiffage Métal España, based in Albacete, had yet another record-setting year, fuelled by the onshore wind energy sector.

International projects and subsidiaries

The international operations of the Infrastructure division's various business lines enjoyed considerable momentum, driven by favourable market trends overall and the expansion efforts undertaken over the last several years.

The German infrastructure market remains particularly buoyant for public works projects. In addition, Eiffage Infra-bau reaped the full benefit of the specialist companies acquired since 2016, which have served to supplement and reinforce the activities of its long-standing subsidiaries: MDM and BOS (noise protection structures), Brochier (micro-tunnelling). Work under the public-private partnership for the A94 motorway in Bavaria is proceeding to schedule, with delivery due in 2019.

After several years of low levels of activity in Spain, Eiffage Infraestructuras has benefited from a more favourable market environment to initiate a significant upturn in its business, particularly in quarrying and other extractive industries. The year-end order book suggests that good operating performance can be expected for 2019 as well.

In Canada, ICCI generated revenue in 2018 comparable to that of the previous year, the key focus being the successful completion of ongoing projects, such as the rehabilitation of the Burlington Skyway in Ontario. With a 50% increase relative to 2017, the order book at the end of the year points to more robust activity in 2019.

In Colombia, Puentes y Torones entered into three major contracts relating to engineering structures at the end of the year, including the reconstruction of the Chirajara bridge, which together are expected to result in higher revenue for 2019 and 2020.

In Senegal, the Group continues to expand as much through major structural projects, such as the one for the regional express train (TER) connecting Dakar to Blaise Diagne International Airport, which will be delivered in 2019, or the Keur Momar Sarr 3 (KMS3) tap water treatment and distribution project, as by strong growth across all contracting business lines.

As in previous years, we were awarded a number of new contracts for projects based on the export model, including the ones signed for the Singrobo-Ahouaty dam in Côte d'Ivoire and the RN2 and RN23 trunk roads in the Comoros. The projects for the port of Freetown in Sierra Leone, the industrial landfill at Lomé in Togo and development work at a fourth lake as part of this same city's lagoon system were delivered to schedule.

The acquisition of Saipem's maritime works activities in December 2017 resulted in a successful integration of its staff within Eiffage's teams, which immediately began to have a positive impact on projects already under way as well as that for the offshore extension of Anse du Portier in Monaco, launched in the first half of 2018. Furthermore, BP selected Eiffage Génie Civil Marine (the new name for this entity) to carry out studies followed by works relating to the construction of a floating liquefied natural gas (FLNG) facility off the coast of Mauritania and Senegal as part of the Greater Tortue Ahmeyim development.

Regarding the project for the future High Speed 2 (HS2) rail line between London and Birmingham, Eiffage Génie Civil and its British consortium partner Kier are carrying out the pre-project studies and the validation of the target prices for the C2 and C3 works packages. Subject to confirmation by the contracting authority, HS2 Ltd, this study phase may lead to the effective launch of works at the end of 2019.

Research and innovation

Several innovation initiatives of the Infrastructure division's business lines took shape in 2018.

For example, the first Luciole® projects were put into production. This process, developed jointly by Eiffage Route and Eiffage Énergie Systèmes, embeds smart lighting into road surfacing material with optimised photometric properties for more cost-effective management of urban street lighting.

Along the same lines, just one year after signing a collaboration agreement, Eiffage Route and OliKrom, with the support of Bordeaux Métropole, the local authority for the Bordeaux metropolitan area, have inaugurated the first cycling path marked with LuminoKrom® luminescent paint in Pessac.

Eiffage Route has also successfully completed new projects implementing Recytal-ARM®, a cold in-place recycling process for deteriorated asphalt road surfaces using a plant-based binder in the emulsion.

In the area of prevention, Eiffage Infrastructures has developed a new type of bionic glove in collaboration with the Swedish start-up Bioservo Technologies, following the initial trials conducted in 2017. This new glove, called Ironhand®, has been trialled for several months under real working conditions.

Eiffage Construction has strengthened its presence in Europe with the acquisition of Priora AG, a leading Swiss construction firm, in March 2018.

The division generated revenue of €4,001 million in 2018, up 3.4% from 2017, due in particular to stronger activity in Europe, which now accounts for nearly 26% of the division's revenue, after factoring in the acquisition in Switzerland.

Operating profit on ordinary activities was nearly stable at €155 million, corresponding to an operating margin of 3.9%. This is slightly lower than the 4.0% margin recorded in 2017, owing to the tight construction market in France, while property development margins continued to rise. At 31 December 2018, the division's order book totalled €4.4 billion (up 3% year on year), corresponding to 13.2 months of operations.

Revenue contributed by the property business came to €845 million, compared with €963 million in 2017. The decline was due solely to the phasing of certain major developments. Reservations for new homes set a new record for Eiffage Immobilier, at 4,694 units, up 3.6% on the 2017 figure. Bulk sales to institutional investors and social housing operators accounted for 44% of these reservations.

New major orders in 2018 include those signed for the Silex[2] development involving the rehabilitation of a former EDF tower in Lyon, the creation of a five-star luxury hotel on the site of the former Samaritaine de Luxe on the Boulevard des Capucines in Paris, the refurbishment of the iconic Hôtel du Palais in Biarritz and a €120 million contract for the construction of a lock at Ampsin-Neuville on the Meuse river in Belgium. Major ongoing construction projects are well under control, including the BNP Paribas Fortis headquarters in Brussels, the Carré Michelet and the former Pascal towers at La Défense as well as the Gaîté Montparnasse development in Paris. The division's complex urban redevelopment or property development projects offer a bright long-term outlook. These projects include the contract for the mixed-use development adjoining the Aulnay-sous-Bois station awarded as part of the Grand Paris Express programme, the Joia Méridia district in Nice and the launch of works on the 213,000 m² LaVallée redevelopment project in Châtenay-Malabry.

Eiffage Construction accompanies its growth with a dynamic innovation strategy applied across all of its business lines. The digital transition, a genuine productivity driver for the Company, also represents a way of improving the customer experience. The resulting digitisation of tools and processes involves work at all phases, including taking a building information modelling (BIM) approach from the start of design work, Finalcad (for the monitoring of worksites) and FinalSafe (safety) during the works phase, etc. This innovation strategy also entails environmental awareness with a focus on the sustainable city, in particular through the use of low-carbon solutions, such as the new line of prefabricated bathroom units from Hva Concept using bio-based materials. To this end, Eiffage Construction has strengthened its presence in the market for dry construction by acquiring a portion of the assets of Charpentes Françaises, the French market leader in the manufacture of timber-frame structures, which it will be developing under the Savare brand. Several timber-frame projects are under way, including the Sensations building in Strasbourg and the Hypérion tower in Bordeaux.

Changes in behaviour and services expected by customers are also analysed and integrated in Eiffage Immobilier's actions in the area of innovation, with virtual tours of homes with the option to select specific service offerings from a list of recommended providers for buyers entering into pre-completion contracts and the launch of a participatory approach involving all Eiffage employees to design the home of tomorrow. Whether they are currently being rolled out or trialled, the aim of these solutions is to improve the quality of the products and services offered by the Company.

Property development in France

Eiffage Aménagement is one of the pioneers among private-sector players active in urban planning in France, having served municipal authorities for redevelopment projects or the creation of new districts for 35 years. Given its service on various professional bodies and as a founding member of the Réseau National des Aménageurs (RNA, the French network of land development companies), Eiffage Aménagement plays a key advisory role for public stakeholders. Eiffage Aménagement operates throughout France.

At the end of 2018, Eiffage Aménagement had 1,100,000 m² under construction and 750,000 m² under development. Highly active for many years in Paris and the surrounding areas, the Company is currently working on several major projects in the region, including the 90,000 m² Grand Canal district in the suburb of Clamart. In 2018, along with its consortium partners, Eiffage Aménagement was awarded the contract for the future Lizé district, a 57,000 m² redevelopment project in Montigny-lès-Metz, a suburb of Metz in northeast France.

As one of France's leading property developers, Eiffage Immobilier has a strong presence across all its markets. In the residential sector, the Company put a total of 5,205 units on the market in 2018 through more than 80 development programmes. Cocoon'Ages, Eiffage's offering for intergenerational housing developed in partnership with Récipro-Cité, is attracting great interest from local authorities, who see it as an ideal solution to promote social cohesion. The first Cocoon'Ages residence was delivered during the year in Aubagne, near Marseille, on behalf of 13 Habitat. Construction is already under way on six additional projects of this type and 19 others are under development.

Eiffage Immobilier's range of expertise also makes it a key player for mixed-use and complex programmes, where the variety of uses contributes to the economic and social development of communities. In 2018, it delivered the 23,500 m² redevelopment project on the site of the former Halle Debat-Ponsan livestock market in Bordeaux, the 22,500 m² mixed-use Univ'R Longchamp programme in Marseille as well as the first phase of the Grand Hôtel-Dieu project in Lyon, the largest conversion of a listed building ever undertaken by the private sector in France.

In the demanding commercial property market, always a step ahead of the latest environmental standards and placing great emphasis on remaining responsive to the changing needs of users, Eiffage Immobilier is among the leading players in France. It delivered 11 developments in 2018, with a total of 370,000 m² of projects under construction or development. Among other examples, work commenced on Booking.com's future site in Tourcoing and continued on the 21,150 m² CityLife office building in Nanterre.

The hotel industry, which is also undergoing transformation as consumer practices have changed considerably in recent years and continue to do so, is also a key component of Eiffage Immobilier's business. Nearly 300 rooms in hotel properties were delivered in 2018, including the Mama Shelter in the centre of Toulouse, and properties totalling 1,500 rooms are currently in the construction or financing phase.

Construction in France

Housing remains a major component of Eiffage Construction's business, accounting for 40% of the division's revenue, with orders for 21,600 units at the end of 2018, including 11,400 in renovation projects. In 2018, Eiffage Construction Contract was awarded contracts for design-and-build projects, including the energy renovation of more than 1,000 occupied social housing units in Versailles and the renovation of 446 units for the social housing operator Batigère in Essey-lès-Nancy, a suburb of Nancy in northeast France.

In commercial property, Eiffage Construction works on numerous projects of many types: headquarters, like the one for RTE, installed in the 44,000 m² of renovated office space in the Window building at La Défense, regional centres such as the site for Crédit Agricole Sud Rhônes Alpes in Grenoble and industrial sites like the Lidl warehouse in Cestas near Bordeaux. Many major projects are currently under way, including two in the Paris region for the future 25,000 m² headquarters for Danone France in Rueil-Malmaison and the Com'Unity office building for Atenor in Bezons, a contract worth nearly €84 million.

Eiffage Construction works for both public- and private-sector clients, sometimes under public-private partnership contracts won by the Group, for the refurbishment of infrastructure or buildings for medical facilities, educational institutions, cultural establishments or sporting centres. In 2018, the Company delivered the Robert-Schuman convention centre in Metz, the 45,000 m² Courlancy clinic in Reims, the Lucie-Aubrac high school in Courbevoie and the French handball federation's Maison du Handball in Créteil. Specialising in heritage restoration, Pradeau Morin, an Eiffage Construction subsidiary, works to preserve and enhance historic sites in France. The creation of a luxury hotel on the premises of the Château de Versailles for LOV Group is a fine illustration of its know-how. The Company's expertise is recognised throughout France, where its recent projects also include the renovation of the façades of the Hôtel du Palais in Biarritz.

International

In Switzerland, Eiffage Construction has acquired Priora AG, a leading construction company, with seven branch offices throughout the country. Eiffage Suisse, as the entity is now called, works on both new-build and renovation projects, and also has activities in the arrangement of property transactions. At 31 December 2018, the company's order book stood at nearly €280 million, including contracts for the Grammet residential programme in Liestal and a foundry in Fribourg. Eiffage Suisse currently has 80 projects under construction or development, including the Home of Chocolate for Lindt in Zurich, a contract worth €80 million, and has contributed €254 million in revenue since its integration within the Group in early April 2018.

In the Benelux countries, the division continues to expand its business, generating revenue of €623 million in 2018, an increase of 11%. The division's broad range of activities, carried out by 18 entities, give it an enviable position in several markets across Belgium and Luxembourg. The construction of a Moxy hotel in Brussels and an apartment renovation programme in Ghent were among its contracts won by the division in 2018. In the area of property development, Eiffage Development launched a new phase of 500 units in 2018 as part of the Greenwood programme in Brussels.

In Poland, Eiffage Polska Budownictwo ended the 2018 financial year with revenue of €136 million (up 42%) and its strong order book includes projects like the 90,000 m² plant expansion at the Mercedes-Benz site in Jawor and the Browary residential development in Warsaw. Also during the year, it completed work on the Przy Bazantarni housing programme in Warsaw, the Życzkowskiego office building in Kraków and the four-star Aquarion hotel in Zakopane. Eiffage Polska Budownictwo continues to expand its property development activities, launched in 2017, and began the marketing of units in the Dom przy Źródle residence in Kraków in 2018.

Consolidated income statement for the year ended 31 December 2018

In millions of euros	2017	2018	% change
Revenue[1]	**15,081**	**15,577**	**+9.9%**
Operating profit on ordinary activities (% of revenue)	**1,732** (11.5%)	**1,857** (11.2%)	+7.2%
Other income (expenses) from operations	(56)	(51)	
Operating profit	**1,676**	**1,806**	**+7.8%**
Net finance costs	(490)	(366)	**–25.3%**
Other financial income (expenses)	(20)	(23)	
Financial income (expenses)	**(510)**	**(389)**	**–23.7%**
Share of profit (loss) of equity-method investments	5	9	
Income tax	(336)	(461)	
Net profit	835	965	+15.6%
Non-controlling interests	(287)	(336)	
Net profit attributable to equity holders of the parent	548	629	+14.8%
Earnings per share	5,76	6,49	
Net profit attributable to equity holders of the parent before deferred tax adjustments*	**515***	**629**	**+22.1%**
Earnings per share before deferred tax adjustments*	**5.41**	**6.49**	

(1) Excluding Ifric 12.

* Excluding non-recurring adjustments to deferred tax assets due to the decrease in the French corporate income tax rate, resulting in additional profit of €33 million in 2017.

Other expenses from operations amounted to €51 million, down €5 million, as anticipated by management.

Net finance costs fell for the fourth consecutive year, down 25% to €366 million (from €490 million in 2017). This decline is due mainly to the combined impact of the expiration of the interest rate swaps contracted by Eiffarie in 2006 and the refinancing of the bond issues carried out in 2017 and 2018.

The income tax expense amounted to €461 million in 2018 (compared with €336 million in 2017). This resulted in an effective tax rate of 32.5%, slightly below the French corporate income tax rate, given that 25% of the Group's revenue is generated outside France.

The Group does not have any operations in non-cooperative countries as defined by the OECD and, fully aware of the role played by tax revenue in the budgets of the countries where its economic transactions are carried out, applies a policy of transparency, in line with the requirements in force.

Net profit attributable to equity holders of the parent was €629 million, compared with €515 million in 2017 and €416 million in 2016, after non-recurring adjustments for deferred taxes in respect of these two years (the figures were €548 million and €475 million, respectively, before adjustments).

Free cash flow came to €992 million in 2018 after an increase in the working capital requirement (which had a negative impact of €125 million, of which €107 million in contracting). It also reflects investments amounting to €503 million to develop concessions (including APRR for €424 million), but also financial investments for acquisitions, which were considerable in 2018 (€528 million).

In contracting, the acquisitions of Priora (Eiffage Construction in Switzerland), Kropman (Eiffage Énergie Systèmes in the Netherlands), EDS (Eiffage Énergie Systèmes in Spain) and a number of smaller companies represented a total investment of €220 million (net of cash acquired). Added to this amount is €80 million of debt in respect of commitments to acquire non-controlling interests (mainly at Kropman and the Migné group), in accordance with accounting rules. In concessions, Eiffage's 5.03% stake in Getlink amounts to €308 million.

The dividend paid by Eiffage to its shareholders amounted to €197 million, an increase of €53 million. Lastly, Eiffage paid €173 million under the share buyback programme. The capital increase reserved for Group employees amounted to €144 million.

Given the aforementioned operations, there was a slight increase in the Group's net debt – excluding the fair value of debt with Caisse Nationale des Autoroutes (CNA) and of swaps – of €169 million. The holding company and contracting divisions had net cash of €526 million at 31 December 2018 (compared with €904 million at 31 December 2017).

As part of the proactive management of its debt and liquidity and in order to lower its finance costs and those of its subsidiaries, Eiffage SA took a number of measures in 2018, which involved:

- a two-year extension of the maturity for its trade receivable securitisation programme until March 2023;
- setting up a €1 billion Negotiable European Medium Term Note (NEU MTN) programme, which was inaugurated in early 2019;
- actively managing the commercial paper programme, with all the issues now having been placed at negative interest rates.

For its part, APRR issued €500 million of bonds in 2018 maturing in April 2030, paying a fixed coupon rate of 1.5%, and another €500 million of bonds in early January 2019 maturing in January 2028, paying a fixed coupon rate of 1.25%.

A'liénor, the concession operator for the A65 motorway, refinanced its debt in July 2018 with a €825 million ten-year facility.

Given the €1 billion credit line confirmed until 30 September 2021 (with the amount reduced to €0.92 billion in the final year) and the €2.4 billion of cash and cash equivalents, the Group had €3.4 billion in liquidity at 31 December 2018 (compared with €3.3 billion at 31 December 2017). This liquidity is available for:

- meeting seasonal increases in working capital requirements for contracting;
- any investments to be carried out for contracting or in connection with equity financing and shareholder advances for concessions and PPPs;
- funding, in the best conditions, the Group's development through organic growth and/or acquisitions.

The Eiffage share price traded between a high of €101.30 and a low of €70.94 in 2018 to close the year at €72.96, down 20.12% on 2017, bearing in mind that the CAC 40 and SBF 120 recorded decreases of 10.95% and 11.65%, respectively, over the same period.

In 2018, volumes traded on the Euronext Paris stock exchange, which on average accounted for 28% of trading in Eiffage shares, represented 77% of the share capital compared with 75% in 2017.

Pursuant to the authorisations granted by the general meetings of 19 April 2017 and 25 April 2018, Eiffage purchased 4,323,834 of its own shares and sold 2,333,098 shares in 2018, of which respectively 2,394,988 were purchased and 2,333,098 were sold under the liquidity agreement entered into on 6 December 2012, which took effect on 1 January 2013. An amendment to this agreement was signed in February 2019 to include provisions reflecting new market practices. Lastly, 596,282 shares were transferred to Group employees or their beneficiaries through the exercise of share purchase options. The table below summarises the various transactions completed in 2018:

	Number	% of capital
Number of shares purchased in 2018	4,323,834	4.41%
Number of shares transferred in 2018	596,282	0.61%
Number of shares sold in 2018	2,333,098	2.38%
Number of shares cancelled in 2018	1,937,350	1.98%
Average purchase price	€90.83	
Average sale price	€88.05	
Transaction fees excluding taxes	€182,770.73	
Number of shares registered at 31 December 2018	1,352,526	1.38%
Cost of the shares held in treasury	€116,830,412.79	
Nominal value of the shares held in treasury	€5,410,104	

In its company financial statements, Group parent company Eiffage SA reported a net profit of €494 million for the year ended 31 December 2018 (compared with €253 million for 2017).

Given the consolidated net profit reported for 2018 and prospects for 2019, the general meeting is invited to approve the payment of a gross dividend of €2.4 per share, which represents an increase of 20%. This dividend would be distributed in respect of all 98,000,000 shares outstanding at 27 February 2019, and of the shares that will be created in connection with the capital increase reserved for employees decided by the Board of Directors on 27 February 2019. The profit corresponding to the unpaid dividend on shares held in treasury will be carried forward for subsequent appropriation.

The following documents relating to the preparation and agenda of the general meeting convened on 24 April 2019 are available in the section of the Directors' report on corporate governance, which includes:

- The presentation of the resolutions to be put to the vote, including that concerning the remuneration of the Chairman and Chief Executive Officer for the period 2019-2021
- The table summarising currently valid authorisations to increase the capital and to grant stock options and bonus shares
- The table summarising authorisations to increase the capital and to grant stock options submitted to the general meeting of 24 April 2019

Risk factors

Operational risks

As the Group's core activity mainly involves designing and executing construction projects, it is exposed to operational risks at each phase of the process.

When an order is booked, operational risk may arise because labour costs to complete the construction have been underestimated or because the quantities of materials have been incorrectly estimated. Similarly, a poor assessment of a customer's requirements may result in a significant operational risk. The area surrounding the construction site (access to the site, neighbourhood constraints, regulatory issues, etc.) is also an important factor that must be taken into account when conducting the project.

To mitigate these risks, each contract considered must pass a customer selection process and its feasibility and technical content must be analysed. This process includes a detailed review of the offer in light of legal and financial criteria relating to the project and customer.

Each costing goes through a validation process based on materiality levels. The purpose of this validation is to check and approve the costing options selected. A counter-analysis is performed by the Works department for significant projects that represent a major investment in terms of man-hours.

During the construction phase, hazards may arise linked to the weather conditions or soil composition (foundations, earthmoving, etc.) for example, as may accidents. The quality of works (lead times, delivery, etc.) depends on the ability to master these operational risks.

The Group's absolute priority is the safety of its employees and of all other people working on construction sites. To this end, significant resources are devoted to training the personnel, replacing equipment, and regularly analysing worksite risk with supervisors. Work at construction sites proceeds satisfactorily when the teams possess the required expertise, and are fully aware of and alert to the existence of these risks.

Concurrently, the planning of a construction project is based on the principle that each and every staff member must be adequately prepared and assume responsibility. Progress reports are prepared at regular intervals during the construction to ensure compliance with objectives in terms of deadlines, customer satisfaction and cost.

The Group's requirements extend to its partners, i.e. to the subcontractors and suppliers with which it has a business relationship. These partners are assessed at regular intervals based on precise criteria to ensure compliance with the Group's values and principles.

MATERIALS PURCHASING RISKS

The Group is exposed to sporadic fluctuations in the cost of certain materials used in its manufacturing processes, mainly petroleum products (fuel, lubricants and bitumen), cement, steel, aluminium and copper. To mitigate this risk, there is a Group Purchasing department that works in coordination with the purchasing departments in each division. The Group Purchasing department seeks to anticipate possible cost fluctuations by negotiating framework agreements featuring effective price revision clauses so as to provide additional protection to the revision clauses contained in the public procurement contracts. The Group's size and capacity for purchasing in bulk lend it significant clout when negotiating prices, as well as supply and payment conditions.

COMPETITION RISK

The heads of each operating unit have been provided with information and training on the risks arising from both collusion between competitors and arrangements with customers. They have each formally agreed to comply with the Group's instructions. In accordance with its ethical principles and the requirement for each employee to behave in exemplary fashion, the Group has detailed its commercial practices to all members of staff and increased sanctions for any breaches.

Industrial and environmental risks

Given the nature of its activities, the Group has relatively minimal exposure to industrial risks.

However, certain establishments are regulated in France under legislation relating to facilities classified for environmental protection (quarries, asphalt plants, binder plants, metalwork facilities).

There is a risk related to accidental exposure to hazardous chemical products. There is also the risk that customers will experience business interruptions as a result of work carried out by Group companies.

At an environmental level, specific regulations govern the activities of the Group's various divisions, in particular the processing of materials recovered from demolition or building sites, the production of materials for road construction or maintenance, and the protection of natural habitats and biodiversity during the construction and operation of linear infrastructure (motorways and railways).

Measures taken by the Group to manage these risks and the cost of investments in preventive measures and the implementation of applicable standards and regulations are presented in the section of this report dealing with employment and environmental information. Fundamental principles have also been compiled in the Group's risk management guide (the Eiffage Handbook). In addition, the ENVIgilance tool is made available to all Group personnel to assist them with managing compliance.

Concerning risks related to emissions of carbon dioxide and other greenhouse gases, the Sustainable Development and Transversal Innovation department distinguishes between:

- regulations relating to the European Union's Emissions Trading System, applicable to the Bocahut quarry in the Aisne administrative department as well as several facilities operated by the Grands Travaux Enrobés entity within the Infrastructure division;
- the publication each year of greenhouse gas emissions in the section of this report dealing with employment and environmental information, as well as the definition of a three-year objective for reducing these emissions;
- the coordination of energy audits at subsidiary and regional level, as may be required by regulations;
- the coordination and management of the E-Face carbon fund, which seeks to promote the development of low-carbon solutions in connection with the Group's offerings.

Climate-related risks and opportunities as well as the Group's low-carbon strategy are discussed in more detail in their specific sections of this report.

Concerning risks associated with the preservation of biodiversity, during the construction phase and later during the operating phase, the Group remains committed to achieving excellence in this area, in particular by:

- receiving recognition from France's Ministry for the Ecological and Inclusive Transition for its specific contribution to the country's national biodiversity strategy for the period 2011-2020;
- implementing the Group Biodiversity Charter signed by the Chairman, and ensuring its promotion at partner institutions and companies, in particular via the Group's commitment to the act4nature initiative;
- continuing to support the research and education programme of the first university chair for the study of the environment, biodiversity and major infrastructure projects, created in partnership with Université Paris 1 Panthéon-Sorbonne;
- compiling an in-house biodiversity risk prevention and management pack for all the operating departments of the Group's divisions, setting out the rules for compliance with the "avoid, reduce, offset" mitigation hierarchy, along with ecological engineering solutions during the construction and operating phases.

Legal risks

A significant proportion of the Group's activities is governed by regulations applicable to public procurement contracts in France and, in the case of building works, the ten-year contractors' guarantee.

Some activities are governed by authorisations granted in respect of facilities classified for environmental protection, and particularly those involved in road construction and maintenance activities: asphalt plants, binder plants and quarries, in the latter case with the requirement to provide financial guarantees to cover site rehabilitation.
Some contracts may contain confidentiality clauses, especially when pertaining to national defence.

Financial risks

Information provided in this section forms an integral part of the annual financial report.

EXPOSURE TO INTEREST RATE RISK

For its concessions and utilities management activities, the Group contracts fixed or variable rate debt depending on the market conditions when the financing is arranged. In the case of variable rate debt, interest rate hedges are put in place to reduce exposure to changes in interest rates.

As regards the Group's other activities, debt is contracted at variable rates except for finance lease obligations, which bear fixed interest rates.

Excluding the non-recourse debt of the concession operators included in its consolidation scope, the Group has no debt (net cash position of €526 million at 31 December 2018).

The concessions activity's non-recourse debt (net amount of €11,070 million at 31 December 2018 excluding the fair value of the CNA loans and financial instruments used to hedge interest rate risks) is carried by:

- the APRR group and its holding company Eiffarie, most of this debt being at fixed rates;
- the holding company controlling concession operator Compagnie Eiffage du Viaduc de Millau, all of this debt being at fixed rates, with the capital indexed to inflation;
- A'liénor, the operator of the A65 motorway between Pau and Langon, most of this debt being at fixed rates;
- the companies involved in public-private partnerships, including for the Bretagne–Pays de la Loire high-speed rail line, nearly all this debt being at fixed rates.

EXPOSURE TO CURRENCY RISK

The Group has little exposure to currency risk in connection with its ordinary activities since its main subsidiaries operate in the eurozone, these companies accounting for 91.10% of consolidated revenue.

Export contracts outside the eurozone are negotiated in the same currency as the related costs. Consequently, the currency risk is limited to lags in the cash flow generated by these contracts, payments made to cover head office costs and profits transferred to France.

As and when conditions require, hedging contracts may be entered into to protect specific balance sheet assets or liabilities against currency fluctuations.

EXPOSURE TO LIQUIDITY RISK

In connection with its concessions and utilities management activities, the Group negotiates individual financing agreements specific to each concession or public-private partnership. These financing agreements may require compliance with financial ratios tailored to each situation. The liquidity risk related to these agreements is managed by analysing expected cash flows and debt repayments.

Meanwhile, in connection with its contracting activities in particular, the Group pursues a policy of arranging and renewing confirmed credit lines. At 31 December 2018, Eiffage had a €1 billion confirmed credit line, unused and available until 2021 (within the limit of €0.92 billion in the final year), while the holding company and subsidiaries involved in contracting activities had a net cash position of €2.4 billion.

In addition, Eiffage has a €1 billion Negotiable European Commercial Paper (NEU CP) programme having given rise to issues totalling €0.4 billion at 31 December 2018, an unused €1 billion Negotiable European Medium Term Note (NEU MTN) programme and a programme for the securitisation of trade receivables, which was renewed in March 2016 for a maximum amount of €0.6 billion and with its maturity extended from five to seven years.

APRR put into place a Euro Medium Term Notes (EMTN) programme in 2007, under which it can issue up to €9 billion of bonds. In 2018, it issued €0.5 billion of fixed-rate bonds maturing in January 2030.

At 31 December 2018, a further €1.55 billion remained available for issue under the above programme.

To finance its investment programme, APRR arranged a seven-year loan amounting to €275 million with the European Investment Bank (EIB) in 2015.

Furthermore, in 2015 APRR renegotiated an existing revolving credit facility amounting to €1.8 billion for a five-year term (which was later extended by two years). No amounts have been drawn against this facility, the full amount of which remained therefore available at 31 December 2018.

Finally, APRR has arranged a commercial paper programme (under which it had issued €0.1 billion at 31 December 2018) to improve short-term liquidity.

APRR is rated A- stable by the credit rating agencies Standard & Poor's and Fitch Ratings.

As regards Eiffarie, the €1.5 billion credit facility renegotiated in 2015 for a five-year term (which was later extended by two years) amounted to €1.2 billion at 31 December 2018, given the repayments made since 2015.

To the extent that the above debts are subject to covenants, details, including compliance therewith at 31 December 2018, are provided in Note 8.3 to the consolidated financial statements.

The maturity of the Group's financial assets and liabilities is provided in Note 8.2 to the consolidated financial statements.

EXPOSURE TO MARKET RISK

Eiffage is not exposed to any equity risk since all surplus cash is held in the form of money market UCITS (invested exclusively in highly liquid money market instruments), bank certificates of deposit or term deposit accounts.

EXPOSURE TO CREDIT RISK

With regard to the management of customer risk, the Group's revenue is generated in two main activities.

As regards concessions and utilities management activities, the risk of insolvency is extremely slight, being mitigated by the very large number of transactions for small individual amounts settled in cash on the transaction date, or because amounts are settled by local and regional authorities over the long term under the terms of public-private partnerships.

As regards the contracting activities, a substantial part of the business is with public-sector clients or large private-sector companies, mitigating the non-collection risk. As regards the property activities, sales are largely negotiated under pre-completion contracts, for which buyers are required to make down payments, which limits the payment default risk.

EXPOSURE TO THE RISK OF FLUCTUATION IN RAW MATERIAL PRICES

As regards the contracting activities, the projects in which the Group is involved are generally covered by price revision clauses linked to a national index that provide a hedge against the risk of fluctuations in raw material prices.

As and when conditions require, and exclusively in the case of major projects without a price revision clause, contracts may be entered into as a hedge against fluctuations in raw material prices. This is limited to the sourcing of supplies for which prices on world markets are prone to sharp fluctuations.

Insurance cover

The Group's policy with regard to insurance cover is scaled to take into account the size effect.

First, certain risks characterised by a high frequency rate but low severity are covered through self-insurance (e.g. vehicle insurance and property insurance) or the application of appropriate deductibles (e.g. ten-year contractors' guarantee).

Second, particular attention is paid to risks presenting higher severity by taking out policies providing substantial cover (e.g. third-party liability).

The construction activity is subject to specific regulations and legal requirements in terms of insurance cover (ten-year contractors' guarantee). All these aspects are monitored by the legal departments of each division.

The Group insurance manager ensures that the measures taken are appropriate at a global level, notably as regards self-insurance and coverage limits.

DESCRIPTION OF INSURANCE POLICIES TAKEN OUT BY THE GROUP

- Various third-party insurance policies provide overall cover of €85 million per claim, and an additional policy taken out in 2003 has raised this to €155 million per claim, per year. This insurance has covered APRR and its subsidiaries since their integration into the Group.
- Insurance in respect of the ten-year contractors' guarantee is taken out almost exclusively for the French businesses. Cover complies with Law no. 78-12 of 4 January 1978 and the relevant implementing decrees, and accordingly provides insurance against damage to buildings for the ten years following delivery within the limit of the costs of any deficiencies detected.
- Various annual policies have been taken out at Group or subsidiary level, including by APRR and its subsidiaries, to cover the Group's property and operating assets, including contractors' all-risks insurance (for damage during construction work), comprehensive property insurance (for offices, housing and workshops) and vehicle insurance (third-party liability, fire and theft).
- Insurance cover has also been taken out since 2003 for the third-party liability of directors and officers at the level of the company and its subsidiaries.
- Lastly, risks concerning accidental environmental damage are covered by the third-party liability contracts referred to above. Specific policies have been taken out for facilities classified for environmental protection (asphalt plants, binder plants, etc.).

In total, insurance premiums paid by the Group in respect of the aforementioned policies amounted to €58 million in 2018 (compared with €60 million in 2017).

A. Organisation of the internal control and risk management functions

"Risk-taking is an inherent trait of any enterprise. There can be no growth or creation of value in a company without risk-taking. However, if risks are not properly managed and controlled, they can affect the company's ability to attain its objectives. Risk management and internal control systems play a key role in directing and guiding the company's various activities by continually preventing and managing risks."
AMF reference framework – July 2010

The internal control and risk management systems put in place within the Group are based on the principles set out in the report issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and comply with the reference framework published by the AMF.

1. Scope of internal control and risk management

The Group's activities are organised into divisions, which are coherent sub-groups within the business lines. For contracting activities, each division is controlled by a company that is wholly owned by Eiffage. Public service concession companies are owned directly by Eiffage or through financial holding companies. The percentage of the capital owned by Eiffage varies.

Group internal control procedures cover all fully consolidated companies as well as all permanent or temporary joint ventures, whether consolidated or not.

2. Internal control and risk management objectives

Internal control is a process put in place by the Group, defined and implemented under its responsibility, to which a range of resources is assigned. It aims to achieve:

- compliance with applicable laws and regulations;
- application of directives and policies defined by General Management;
- proper functioning of the Company's internal processes, particularly those contributing to the safeguarding of its assets;
- reliability of financial information.

Risk management is a Group management tool that helps to:

- create and preserve value and the Group's assets and reputation;
- secure the Group's decision-making and processes, contributing to the achievement of its objectives;
- ensure actions are consistent with the Group's values;
- focus the Group's employees on a shared vision of the main risks.

By helping prevent and minimise the risk that the Group will not achieve its objectives, the internal control system plays a key role in the management and steering of its activities.

LIMITATIONS OF INTERNAL CONTROL AND RISK MANAGEMENT

As with any control system, these processes cannot provide an absolute guarantee that the Company will always achieve its objectives but they do provide a reasonable assurance that this will be the case.

3. Organisation of the internal control and risk management functions

The organisational structure put in place to achieve the objectives defined above is based on a culture of employee accountability inspired by the Group's values, together with high standards of behaviour and integrity set out clearly in the Group's Code of Conduct.

The decentralisation of responsibilities within the Group is achieved through a network of moderately sized subsidiaries and establishments, which facilitates monitoring and minimises risk.

The majority of the Group's contracting business consists of small, short-term projects (or contracts). The internal control function is organised by allocating roles and responsibilities between four levels of management:

- the project manager has full responsibility and is personally accountable for the accuracy of their own accounts, the project (or contract) being the basic unit;
- the operating manager (manager of an establishment or subsidiary), whose powers are defined by delegations of authority granted by higher-level management. The company manager is responsible for the commercial activities and contract decisions of the establishment (or subsidiary), and sets the profit margins when tendering for contracts;
- the regional manager, who supervises the establishments and/or subsidiaries in their region and coordinates their activities. They are responsible for ensuring optimum use of human resources and equipment and encouraging dialogue and the free circulation of information (vertically and horizontally), serving in a guidance and oversight capacity;
- each division's general management, which is responsible for:
  – cash management,
  – monitoring of compliance with accounting and management rules,
  – career development for management-level employees,
  – determining investments in property, equipment as well as mergers and acquisitions.

Within the organisational structure, there are also divisional internal controllers, who are responsible for:
- defining internal control priorities on the basis of risk assessments carried out by the division;
- assisting operational managers in covering their area of responsibility;
- following up on the implementation of action plans based on the findings of internal audits;
- carrying out second-level controls of compliance with procedures and also of controls performed at the level of regions, establishments and/or subsidiaries;
- taking part in the regular updating of internal control and risk management tools.

The work of the divisional internal controllers is performed with the assistance of correspondents identified at the levels of the regions and/or subsidiaries.

Their work is coordinated in a quarterly report on the implementation of action plans that is submitted to the Internal Audit and Risks department.

Internal control within APRR and AREA is organised at several different operational levels. In addition to controls by the division's general management and the relevant governing bodies, the organisation of the internal control function is also coordinated by support departments, within the framework of specific delegations of authority. The operating departments also function on the basis of delegations of authority granted by higher-level management.

The basic operating units are the districts and agencies (APRR) or the maintenance centres or toll stations (AREA), which ensure the collection of tolls and the operation, upkeep and security of the network for the portion of motorway they cover. These tasks are performed under the responsibility of the regional department to which the districts and agencies are attached.

B. Responsibility for internal control and risk management

As stated above, every employee is responsible for risk management and internal control. Accordingly, all governing and management bodies have a role to play.

1. General Management

The Group's General Management is responsible for strategy and determining major financial investments. It also manages the careers of senior executives and coordinates the labour policy of all divisions.

It has authority for:
- finance;
- relations with the financial community and shareholders;
- accounting, tax and management methods and rules.

With regard to internal control, General Management is involved in all the approval stages of works and receives all audit reports conducted by the Internal Audit and Risks department.

The central support functions at the head office are staffed by experts whose task is to assist company and regional managers, who may consult these functions irrespective of the lines of authority.

General Management ensures that the Board of Directors and the Audit Committee receive all necessary information in a timely manner.

2. The Board of Directors

As required by Article L.225-100 of the French Commercial Code, the Board of Directors reports on risks in its Directors' report, describing in particular the risk management policy and how the main risk factors are handled.

Accordingly, the Board of Directors checks with General Management that the internal control system is capable of ensuring the financial information published by the Group is reliable and gives a true and fair view of its operating results and financial situation.

3. Audit Committee

The Audit Committee is responsible for the following areas:
- monitoring the process for preparing financial information: in particular, the Committee examines the parent company and consolidated financial statements before they are presented to the Board, focusing especially on the relevance of the accounting policies adopted in preparing the financial statements. It makes recommendations to guarantee the integrity of the financial information;
- monitoring the effectiveness of internal control and risk management systems and, where applicable, internal audit systems as they relate to the procedures for preparing and processing accounting and financial information;
- monitoring the performance of the services provided by the Statutory Auditors taking into account, where applicable, the findings and conclusions reported by the Haut Conseil du Commissariat aux Comptes (France's national auditors' oversight board) in accordance with Articles L.821-3 *et seq.* of the French Commercial Code;
- verifying compliance by the Statutory Auditors with independence requirements prescribed by regulations;
- approving services or categories of services other than the certification and audit of the financial statements referred to in Article L.822-11-2 of the French Commercial Code to be performed by any of the Statutory Auditors, provided the supply of such services is permitted by regulations, after having analysed the risks to the independence of the Statutory Auditors and the safeguard measures applied by the latter;
- monitoring the implementation of measures required by the Sapin 2 law;
- issuing recommendations concerning the appointments or renewals of the terms of office of Statutory Auditors submitted to the general meeting for shareholder approval, in accordance with applicable regulations.

Apart from the aforementioned duties and responsibilities prescribed by law, the Board has entrusted the Audit Committee with the following specific assignments:
- Review of the report on corporate governance, providing comments as appropriate
- Review of the presentations for analysts, providing comments as appropriate

The Audit Committee may request any additional information or explanations at any time, to supplement the regular information updates it receives.

It ensures action is taken to correct any weaknesses identified in the risk management and internal control system.

It reports to the Board of Directors on the work carried out at its meetings and the recommendations it wishes to make to Group management.

It liaises with the Internal Audit and Risks department in accordance with AMF and IFACI standards.

4. Compliance

On 26 January 2018, the Group established a governance body to focus on compliance, known as the Compliance Committee. It is tasked with steering the implementation, subsequent adaptation and assessment of the compliance programme within the Group, in particular as regards the general obligations to prevent and detect conduct likely to constitute bribery or influence peddling in France or abroad (arising from Law no. 2016-1691 of 9 December 2016) and to set up a duty of care plan (arising from Law no. 2017-399 of 27 March 2017).

This Committee is chaired by a member of the Executive Committee. Its permanent members are the General Counsel of each division, a Sales and Marketing Director, the Head of Sustainable Development and Transversal Innovation, and the Head of Internal Audit and Risks. The Committee may, as and when needed, seek assistance from any person or persons as they see fit.

The Committee meets as often as it considers necessary to fulfil its mission, but in any event at least twice each year. It met four times in 2018, in particular to review progress on the mapping of risks for all divisions, the roll-out of ethics training, the implementation of tools to assess third parties and training sessions on environmental risks. These training programmes (for both ethics and environmental issues) are provided by the Group's in-house training academy, Eiffage University.

In addition, acting on its own behalf and that of its subsidiaries, the Group filed declarations of interest concerning lobbying activities with France's High Authority for Transparency in Public Life (HATVP), and performed an exhaustive review of its procedures for the prevention of insider trading pursuant to the legislation governing market abuse. Lastly, the Group has decided to create a new position, that of Risk Management and Compliance Officer, which will be filled in the first half of 2019.

5. Internal audit

The role of the Internal Audit and Risks department is to regularly assess the functioning of the risk management and internal control system. It verifies that directives issued by General Management are properly implemented.

To do this, it organises audits following which it recommends improvements and corrective action. The recommendations are then transposed into detailed action plans, with quarterly progress reviews.

The Internal Audit and Risks department works according to an annual audit plan approved by General Management and the Audit Committee.

The Head of Internal Audit and Risks may liaise with the Chair of the Audit Committee whenever necessary.

The Internal Audit and Risks department is accredited by IFACI Certification, a member of the Institute of Internal Auditors (IIA).

6. Divisional internal controllers

Divisional internal controllers perform second-level controls of compliance with procedures as well as controls at regional, establishment and/or subsidiary level. They assess and monitor the implementation of action plans following internal audits. They ensure that the risk mapping of the divisions' business lines is updated regularly, in particular that required by Law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy.

7. Group employees

Each employee is accountable for their own actions. This principle draws on the Eiffage Charter of Values and Objectives, which is circulated at all levels of the Group. It can be consulted by all employees via the Group's various internal communication channels, in particular on the intranet.

Eiffage's commitments to respect its customers, employees, shareholders, partners, suppliers and subcontractors and other stakeholders, including public authorities, and to drive progress in society, together with the Group's core values – responsibility, trust, transparency, lucidity, leading by example and courage and pugnacity – underpin the internal control system that has been put in place.

First-level controls of employees' activities are exercised by line managers. Through the assistance they provide, the regions and/or subsidiaries' various support functions – accounting, management, human resources, prevention, quality and legal – participate in these first-level controls.

C. Internal control procedures

The duties of the divisions' central departments include, *inter alia*:

- ➔ preparing, distributing and explaining to correspondents in the regions and subsidiaries (or establishments), in France and abroad, all directives and recommendations concerning changes in laws and regulations or in the Group's or divisions' internal rules;
- ➔ providing and updating guidelines and other manuals for operational and sales and marketing managers;
- ➔ organising regular meetings with correspondents in the regions and subsidiaries (or establishments) to discuss problems in interpreting messages or applying instructions and ensure that messages have been properly understood and instructions are complied with.

The internal control procedures can be broken down into nine main areas:

1. Management rules
2. Ex-ante checks
3. Warning systems
4. Eiffage Handbook
5. Ethics training
6. Fraud prevention
7. Preventive audits
8. Self-assessment
9. Information systems

1. Management rules

The management rules applied by Eiffage are based on four general principles:

a. Forecasts and performance data must come from the field
b. The quality of forecasting is essential
c. Management must be consistent with the accounts
d. APRR and AREA must be treated as special cases

A. FORECASTS AND PERFORMANCE DATA MUST COME FROM THE FIELD

The monthly operating accounts and the quarterly forecasts are the core management tools.

The operating accounts are generated directly by the accounting software. Expenses are input by the Accounts departments, while each project or contract manager is responsible for inputting accrued revenue items and expenses.

Each employee is responsible for the figures they provide.

The same applies to the quarterly forecasts, which represent estimates of the operating accounts at the end of the project or the accounting period.

B. THE QUALITY OF FORECASTING IS ESSENTIAL

As a minimum requirement, forecasts are prepared for each project (or contract):

- ➔ before its launch or at the launch date;
- ➔ at each quarterly review.

The purpose of forecasts is to estimate as accurately as possible, for each project (or contract), the income and earnings:

- ➔ for the next three months;
- ➔ for the current financial year;
- ➔ at the end of the project (or contract).

An annual budget is set for each support function, service provider and cost centre. This is reviewed quarterly.

All forecasts are structured in the same way as the operating accounts so as to highlight any variances.

Any emerging variances between forecasts and actual figures are analysed, commented on and taken into consideration when the next forecast is prepared.

C. MANAGEMENT MUST BE CONSISTENT WITH THE ACCOUNTS

The accounts must be the sole guideline for management. Therefore, the only figures that count ultimately are those recorded in the accounts.

It is the operators' responsibility to determine the revenue that fairly represents the percentage of the contract that has been completed.

It is therefore the concept of revenues earned that takes precedence over the actual amounts billed, the timing and basis of which may be different. Information must travel up from the lowest unit (the project or contract) to the Group holding company without any adjustments or additions, so that accounts are consistent at all levels, and the person who originally provided the data remains fully accountable for it.

Only essential information is passed up through all levels of the organisation but, for information to flow freely, it can be sent to a particular person or department directly.

Three principles, which are easy to apply, ensure information is consistent:

Principle of comprehensiveness

- ➔ All projects and contracts must be included
- ➔ All cost centres must be included
- ➔ All subsidiaries and all entities must be included in the summary documents of the relevant division
- ➔ No account, structure or entity may be excluded

Principle of consistency

- ➔ Neither the methods nor the scope can be modified except as decided and instructed at Group level
- ➔ Past records cannot be altered; they are useful for understanding a situation and drawing lessons
- ➔ All figures are reported on a cumulative basis

Principle of uniformity

- ➔ A common language must be used throughout
- ➔ Standard document formats are used

D. APRR AND AREA MUST BE TREATED AS SPECIAL CASES

APRR and AREA adapted their reporting system early in 2006 so as to conform to the Eiffage Group's management rules. Their management dashboards comprise a series of monthly operating and financial indicators relating in particular to traffic, revenue, operating productivity ratios, general overheads, capital expenditure, cash flows, workforce and the calculation of aggregate monthly Ebitda.

The Chairman and Chief Executive Officer of APRR and AREA and the Group's Chief Financial Officer ensure at the time of the initial and various quarterly revised budgets that decisions taken are consistent with the management contract and operating and financial objectives.

2. Main ex-ante checks

DELEGATIONS OF AUTHORITY

Ex-ante checks define the nature and scope of delegated duties and powers, in accordance with the function occupied by the party to whom authority is delegated.

The Chairman of each division's lead company delegates to his/her regional managers, subsidiary managers and establishment managers broad powers to represent the company, negotiate contracts within certain limits, manage non-executive employees, and deal with health and safety issues.

The regional manager in turn sub-delegates more limited powers to subsidiary or establishment managers regarding health and safety.

BANKING POWERS AND RULES RELATING TO CASH MANAGEMENT

Powers to operate bank accounts are codified, and persons authorised to operate accounts systematically require a countersignature.

A strict procedure must be followed when opening bank accounts. Detailed directives set out the rules for cash management, the provision of sureties and other guarantees, the arrangement of financing, and security measures.

PROCEDURES RELATING TO INVESTMENTS

Investment decisions are taken by general management in each division. Prior authorisation from the Group's General Management is required systematically for financial investments (acquisitions). This also applies for new concession projects. Moreover, the Board's internal regulations state that when financial investments or new concessions exceed €30 million, the projects must be discussed by the Strategy and CSR Committee and then referred to the Board. Projects involving investments of less than €150 million may also be referred to the Strategy and CSR Committee instead of the Board. The same rules apply to divestments.

With regard to property, plant and equipment, the size and type of investment will dictate whether it is managed directly by the subsidiaries and regions or at division level.

Budget forecasts are prepared for capital expenditure (of any kind), and the divisions' central procurement departments monitor spending in relation to these budgets.

APRR is subject to the rules governing procurement procedures and contracts for adjoining commercial installations applicable to motorway concession companies, as required by Law no. 2015-990 of 6 August 2015, and amended by Law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy, and its implementing decrees, incorporated into the French Public Highways Code.

These measures came into effect for works contracts published on or after 5 May 2016.

The Public Highways Code states that regulations pertaining to advertisement and competitive procedures defined by Decree no. 2016-360 of 25 March 2016, and amended by Decree no. 2017-1816 of 28 December 2017, apply to:

- works contracts exceeding €500,000 (excluding taxes);
- supply contracts and service contracts exceeding €240,000 (excluding taxes);
- contracts that do not benefit from one or other of the exemptions provided for under the regulations.

Proposed contracts and amendments thereto exceeding pre-defined thresholds must be referred for opinion to the Contract Award Commission(s) of APRR and/or AREA, depending on the scope of application of each contract.

Each Contract Award Commission, whose members (the majority of whom are independent) are designated after consulting Arafer, the French rail and road activities regulatory authority, is tasked with defining internal rules applicable when entering into and executing contracts.

Arafer is responsible for ensuring the existence of effective and fair competition when contracts are negotiated.

If regulatory requirements regarding advertisement and competitive procedures are not fulfilled, it can initiate legal proceedings to challenge the award of the contracts concerned and impose financial sanctions on the concession operator.

In 2018, APRR's Contract Award Commission met nine times (to examine 46 referrals) and AREA's Contract Award Commission also met nine times (to examine 28 referrals).

3. Warning systems

WHISTLEBLOWING SYSTEM

The Group's whistleblowing system was put in place by the Board of Directors in April 2009 and obtained authorisation from CNIL, the French data protection authority, on 23 July 2009.

The scope of the system implemented within the Group was reviewed in 2017. It is designed in particular to address breaches of the Code of Conduct, which clearly sets out the different types of behaviour that are forbidden, namely those likely to give rise to acts of bribery or influence peddling, or collusive practices, for example.

More generally, the whistleblowing system in place can be used to report a crime or an offence, a serious and manifest violation of an international commitment duly ratified or approved by France or the country of incorporation of the company concerned; a unilateral act agreed by an international organisation based on such a commitment; or a law or regulation, as well as any serious threat or prejudice to the general interest that may come to the personal attention of a member of staff.

MANAGEMENT DASHBOARD

Independent of any other systems that may have been implemented by the various Group entities to address specific needs, the main monitoring and control tool used in the Group is the management dashboard.

Its main function is to summarise key information needed for monitoring and steering the Group's various entities.

The management dashboard centralises information received on projects (or contracts) at successive levels of the organisation:

- Establishment (or subsidiary)
- Region and/or business line
- Division
- Group

It uses a standard layout common to all the divisions.

It contains past performance indicators (such as revenue, earnings, cash flow, etc.), trend indicators (order book, cash flow, number of employees, etc.) and future performance indicators (forecasts).

Certain other indicators specific to the various business lines are included in the management dashboard.

Major projects are monitored centrally when at least two divisions are involved, using a separate management dashboard intended for the Group's General Management.

Past performance and trend indicators are monitored on a monthly basis, while future performance indicators are monitored quarterly.

The rules governing the preparation of the management dashboard and forecasts have been compiled and summarised in a reference document entitled "Financial Control & Reporting".

Priority is given to prompt distribution of documents and quick response times. A mandatory timetable for the distribution of the management dashboard and forecasts is drawn up at the beginning of each year. Each month, members of the Board of Directors are provided with a summary of the management dashboard at Group level, together with the Group's cash position.

The Financial Control Committee composed of all the divisional financial controllers meets four or five times a year, under the supervision of the Group Financial Control department.

The Committee's work mainly involves:

- checking that information received from divisions is consistent and coherent;
- verifying compliance with the rules on preparing reports and forecasts;
- coordinating centralised monitoring of major projects involving several divisions;
- sharing best practices for financial control;
- regularly reviewing the situation particularly in terms of orders, revenue, cash flow, overheads and earnings for each division and the Group as a whole.

Group Financial Control, assisted by the divisional financial controllers, is closely involved in preparing all Eiffage University training materials and conducting training sessions on the basic principles of contract budget and financial management for the Group's junior works supervisors and project managers. Around 15 such sessions take place every year in Vélizy or Lyon.

CLOSE MONITORING OF THE PROPERTY DEVELOPMENT BUSINESS IS ESSENTIAL DUE TO THE SPECIFIC TYPES OF RISK INVOLVED

A Property Commitments Committee, which brings together Eiffage General Management (represented by the Chief Financial Officer) and the Eiffage Construction division's general management (represented by its Chairman, Chief Financial Officer and a specialist lawyer) meets once a week.

Each of the division's regions conducts a detailed review of all aspects of the property development projects (administrative, commercial, technical and financial). The Committee rules on each stage in the launch and development of a property development project.

In addition to the monthly management dashboard, a separate chart is prepared each quarter to monitor operations, project by project.

CASH FLOW MONITORING

In the Eiffage Group's business lines, the cash positions of companies are a key indicator of financial health. Accordingly, these positions are analysed at least once a month based on various consolidated cash statements prepared at each level of the organisation for the entities controlled.

Eiffage centrally manages the daily cash position, which is sent to the Group's General Management and highlights any changes day to day.

APRR's cash position is monitored through weekly reports, monthly cash flow reports and budgets prepared by the various APRR and AREA entities and at consolidated level as well as using more specific reports during budget reviews or at accounts closing.

DEBT COLLECTION

The programme for the securitisation of trade receivables concerns almost all the contracting subsidiaries in France. This form of financing has resulted in more formally documented procedures for monitoring trade receivables.

A management dashboard summarising securitisation transactions is prepared monthly for each division by the Eiffage Cash Management department.

4. Eiffage Handbook

Initially called the Eiffage Best Practices Guide, the Eiffage Handbook addresses Group risk mapping issues in a practical way.

It identifies risks, describes the control procedures and proposes solutions, while also containing useful remarks from users and feedback from the Internal Control and Internal Audit teams.

The rules set out in the Handbook apply to all business lines and subsidiaries. The Handbook is organised into seven processes :

- Organisation
- Project acquisition/project monitoring
- Human resources
- Risk prevention
- Procurement
- Environment
- Accounting, management and finance

A useful reference tool for managers, it summarises the main checks and controls.

It is designed to increase individual accountability and encourage managers at all levels to constantly remain vigilant.

It is a common reference document for the Group that is of particular use to newcomers (newly recruited employees or newly acquired entities).

It is available to all employees with access to the Group's computer network, even when they are out of the office, as since 2016 it has been published in digital format for tablets and smartphones.

5. Ethics training

Since 2010, Eiffage has developed a training module on the Group's best practices entitled "Basics of Ethical Business Practices", offered by Eiffage University, which is more specifically designed for managers and supervisors with responsibility for operating units or sales and marketing, purchasing or pricing functions. This training module was revised in 2017, in particular so as to include the obligations arising from Law no. 2016-1691 of

9 December 2016 on transparency, the fight against corruption and the modernisation of the economy.

6. Fraud prevention

Fraud-related issues are discussed at Audit Committee meetings and passed on to the Board of Directors if necessary.

Specific instructions relating to the application of banking reconciliation procedures, the use of payment instruments and expense statement procedures are communicated at regular intervals to all of the Group's operating entities, and compliance therewith is systematically verified during internal audits.

Secure electronic payment systems have been rolled out at all Group entities with the aim of limiting the use of cheques and manual transfers and thereby minimising the possibility of fraud.

The support ties within the Group's financial and control unit have been strengthened to facilitate alerts as regards possible cases of fraud. Regular meetings are held by the administrative and financial managers at division level under the responsibility of the chief financial officers. The divisional chief financial officers in turn meet three times a year under the coordination of the Group Chief Financial Officer. These meetings intend in particular to raise awareness of fraud prevention. They have resulted in broader internal disclosure of proven cases of fraud and offer a channel in which to circulate ways of preventing their recurrence.

In 2018, Eiffage was the victim of many attempted external frauds, especially attempted identity thefts targeting senior executives and other members of management, aimed at diverting customer payments to impostor bank accounts or placing fake purchase orders in Eiffage's name in an attempt to defraud Group suppliers.

7. Preventive audits of entities or procedures

Specific audits are organised by the general management teams at division or Group level.

On these occasions, the Internal Audit and Risks department issues recommendations with a view to improving procedures, ensures these recommendations are acted upon and, lastly, controls and subsequently assesses the implementation of recommendations made by follow-up audits.

The findings of the Statutory Auditors' reports are examined and acted upon by each division's general management, the Internal Audit and Risks department and the Group Financial Control department.

8. Internal control self-assessment

After identifying existing procedures, mapping risks and drawing up an internal control analysis grid, the Group has initiated a process of self-assessment for its contracting business using questionnaires. The questionnaires – which are updated by the Internal Audit and Risks department – are broken down by process, sub-process and risk factor and allocated to the various hierarchical levels concerned by these risk factors (subsidiary, region, division and Group) so as to determine as precisely as possible how internal control procedures within the Group are being applied in practice.

In addition to the core elements, each division can request to tailor the questionnaires to adapt to specific aspects of its business and risk management procedures. For the 2018 campaign, 474 questionnaires were sent out, with a 100% response rate.

9. Information systems

All information systems are steered by a central IT department that pools the Group's resources in this area. This has made it possible to increase the resources devoted to guaranteeing reliable and secure networks and data. The Group-wide function of IT Security Manager was created in 2008, and that of Data Protection Officer was created in 2016 to spearhead compliance with the European Union's new General Data Protection Regulation (GDPR). Given the specific nature of its business, APRR has its own IT security manager and data protection officer.

The Group has rolled out the following common modules: general and management accounting, sales administration, procurement and outsourcing, inventory management and reporting (including forecasts and order books).

Each division or business line has its own management tools that are adapted to its activities and take into account their specificities. The use of these tools is extended to new entities, whether based in France or around the world, as and when acquisitions are completed to ensure the proper control and consistency of data.

User access controls are applied to implement the fundamental internal control principle to separate incompatible functions.

Within APRR and AREA, the Engineering and Information Systems departments supply and maintain the necessary tools.

The architecture of the toll and traffic systems is highly decentralised so as to avoid any risk of operating disruptions in the event of a problem. The toll gates and plazas are independent of each other, and the information channelled from toll gates is staggered so as to limit the knock-on effect of a malfunction at a given point in the information system.

We have put in place a business continuity plan (BCP) for information systems.

D. Risk management procedures

The Group's risk management system is based on the policy defined by General Management and is the responsibility of the Internal Audit and Risks department, which is under the direct supervision of Eiffage's Chairman and Chief Executive Officer and reports to the Audit Committee.

As such, this department is responsible for the quality of the risk management systems. The purpose of its continuous oversight is to preserve their integrity and improve them, in particular by adapting them in light of organisational and environmental changes. It arranges for action to be taken to correct any problems that have been identified and ensure that risks remain within the prescribed limits. It oversees implementation of such action within the divisions.

In parallel, the Sustainable Development department, which reports directly to Eiffage's Chairman and Chief Executive Officer, reviews the mapping of non-financial risks, especially environmental risks, at the Group level. It asks each division to provide an up-to-date list of these risks and ensure compliance as and when regulations change.

1. Group Risks Committee

The Group Risks Committee has three permanent members: the Chairman and Chief Executive Officer, the Chief Financial Officer and the Head of Internal Audit and Risks. Members of other departments and independent specialists may also attend meetings if need be. The Committee meets at least once a year to review the main risks, identify any changes to their criticality and assess their management.

These risks include organisational risks (information systems, etc.), project acquisition and project monitoring, human resources, prevention, procurement, the environment and accounting, management and finance. The risk mapping process was modified in 2018 and approved by the Audit Committee. It can be consulted in the Eiffage Handbook.

Detailed risk mapping is carried out at divisional level; the Internal Audit and Risks department uses this as a basis to conduct its assignments.

2. New Business Risks Committee

The New Business Risks Committee was created in 2011 in order to examine and approve the terms and conditions of the Company's commitments when submitting bids with a view to entering into public procurement contracts, concession contracts or public-private partnerships.

Transactions above 'trigger' thresholds, defined for each division's business lines on a country-by-country basis, are reviewed in light of criteria covering all identified risks (financial, organisational, contractual and technical). A detailed risk analysis chart is used to formally establish the Group's terms of engagement.

The Committee is composed of Eiffage's Chairman and Chief Executive Officer, the chair of the relevant division, the Head of Internal Audit and Risks and representatives from the operational departments involved in the projects under review. It met 113 times in 2018.

E. Duty of care plan

With respect to the duty of care required of parent companies and their subsidiaries relating to serious violations of human rights and fundamental freedoms, damage to the environment or harm to human health and safety resulting from their activities, the Group is continuing its work on updating its systems and procedures to integrate the implementation of a plan for reasonable duty of care involving the participation of all Group entities.

The information presented is in keeping with a continuous improvement process aimed to ensure both effectiveness and compliance with requirements, in particular with the support of the Compliance Committee, set up at Group level in 2018. In order to properly discharge this duty of care, a cross-functional governance approach is necessary for the related issues, given both the Group's decentralised organisation and the multitude of business lines involved in constant dialogue, particularly with respect to decision-making.

Risk mapping

Information concerning internal risk mapping with respect to Eiffage parent companies and their subsidiaries is provided in the Directors' report in the section devoted to the organisation of the internal control and risk management functions.

The Group's decentralised organisation and the existence of both short and long operating cycles encourages the establishment of an overall framework relying on a network of correspondents. This approach is thus tailored to the specific characteristics of the Group's activities.

Ranking risks results in various actions. For example, the Grand Paris Express projects necessitate special vigilance given the volume of the orders and collaboration between companies and structures with very different organisations. Another example is the analysis of environmental and social issues raised by the financing of international projects for engineering structures, which constitutes a specific need rather than a permanent rule of action.

In order to draw up the risk maps, a materiality analysis was carried out for the first time in 2018, which enabled us to identify the priorities for our internal and external stakeholders in France and Europe. A detailed description of the findings of this analysis and the resulting action plans is provided in the section of this document containing the non-financial performance statement.

Therefore, given the volume of the Group's purchases and the number of listed suppliers, Eiffage pays special attention to this area with regard to the purchase categories, the purchasing volumes and the various potential levels of risk to be analysed. The assessment component of the duty of care plan outlines the main tools and methods put in place.

Assessment: tools and procedures

The subsidiary assessment procedure is described in the section of this report devoted to internal control procedures.

It was deemed necessary to carry out a specific assessment of supplier partners within the Purchasing department, given the volume of purchases generated by the Group in any given year. The Group has therefore put in place assessment and compliance tools that can be used to launch in-depth surveys or perform checks, whether by carrying out random sampling or auditing a large number of partners.

Eiffage has chosen to launch a comprehensive analysis of 1,500 suppliers with which it has entered into framework agreements, i.e. suppliers engaged in recurring business with an Eiffage company. This analysis naturally takes country risk into account. A CSR self-assessment was also conducted with the same list of suppliers, focusing on CSR risks and issues ranging from respect for individuals to environmental challenges like the preservation of biodiversity, water resources or natural habitats around operating sites. All the responses entered as part of this self-assessment must be backed up by supporting evidence. This assessment procedure for suppliers with whom a long-standing business relationship exists was initially launched in mainland France, prior to it being rolled out on a wider scale. Nevertheless, appropriate procedures are already being applied for certain projects outside France, with regard to the business lines, customers and countries concerned. Specific procedures are developed to suit the needs of some projects, on the basis of the main risks identified with the customer, whether or not these risks are technical in nature.

In addition, the purchasing teams are made familiar with CSR issues and are trained in the use of quality appraisal tools. Special emphasis has also been placed on new buyers having joined the Group during the year. In 2018, the Purchasing department held 12 orientation sessions (100 participants). At present, these sessions are only organised in France, but they will soon be rolled out internationally.

Case study

In 2018, Eiffage selected the companies Armor-Lux (Brittany) and Cepovett (Auvergne-Rhône-Alpes) to supply its work clothes. The Group believed it was important to have its new range of work clothes made by French companies that adhere to CSR standards aligned with those upheld by Eiffage.
Most of the fabric is manufactured in France by TDV, based in Laval in northwest France, while a significant portion of the cutting, sewing and assembly is done in Madagascar. To secure these long-term contracts and ensure compliance with the criteria on which CSR performance will be assessed, an Eiffage purchasing manager will travel to Madagascar in early 2019.

Training and awareness

Improvements in the supplier selection process made possible by integrating CSR criteria must be paired with a programme to better structure the work of purchasing teams around such issues through feedback and dialogue. These criteria are based on the Group's overall CSR approach, but also on its use of life cycle analysis and other processes as part of its low-carbon business development strategy, such as the sustainable city. It is for this reason that seven criteria have been added to the tool to review and manage framework agreements. These criteria will ultimately serve as the foundation to define the anticipated duty of care measures.

More generally, an awareness plan must be drafted, on the basis of the guidelines issued in connection with the regulatory measures resulting from the Sapin 2 law.

It should also be noted that all buyers have already been trained in the ethical principles highlighted by this reform.

As regards the Group's subsidiaries, the actions implemented are described in the section of this document containing the non-financial performance statement (information concerning employment, the environment and corporate social responsibility).

Whistleblowing system

One focus of the 2017 update to the Code of Conduct was the reinforcement of the whistleblowing system described in the section of this report devoted to internal control procedures.

In addition, it should be noted that Eiffage has been a signatory of the Charter for Responsible Supplier Relations since it was created in February 2010 by the French Ministry for the Economy and Finance and the CNA, the French national procurement council. Commitments under this charter include the appointment of an SME representative able to act as an ombudsman to facilitate the resolution of any disputes following a claim submitted by a supplier.

This approach is in keeping with the "company ombudsman" function described in Article 36 of Law no. 2018-727 of 10 August 2018 for a State in the service of a society of trust, known as the Essoc law, a link to which is provided on the Eiffage website.

Monitoring of measures and their effectiveness

The system is currently being defined in coordination with the Compliance Committee at Group level.

F. Low-carbon strategy

Financial risks associated with climate change and measures the Company has put in place to reduce them through a low-carbon strategy.

Eiffage was the first construction group in France to publish its total carbon footprint – in 2009 – and it has consistently implemented a low-carbon strategy over a number of years, which combines internal measures with ambitious low-carbon solutions for its customers, a key aspect in managing the transition to a low-carbon economy.

While pressing ahead with its numerous action plans aimed at optimising energy consumption by its industrial activities (controlling heat loss, reducing greenhouse gas emissions at asphalt plants, etc.) and maintaining its objective to reduce greenhouse gas emissions, the Group is aware of the risk of dependence on carbon-based materials and fossil fuels, as well as customers' changing perceptions regarding their own exposure to climate risk.

This new focus is laid out in Eiffage's 2020 business plan, with the decision to entrust the coordination of transversal innovation to the Sustainable Development department and make internal financial resources available to support the roll-out of the Group's low-carbon offering. Created in 2016 and allocated an annual budget of €2 million, the E-Face fund supports the operational development of low-carbon offerings by funding the cost differential between a traditional solution and an alternative, low-emission solution for all eligible commercial projects undertaken by the Group. Apart from providing important leverage by co-financing the reduced carbon footprint of a project, the fund also helps identify low-carbon materials, products and processes that can easily be substituted for their high-carbon equivalents while introducing traceability of the carbon content of purchases for accounting purposes.

The E-Face fund was launched on the back of a successful trial between 2012 and 2016 of the carbon arbitrage fund for the Bretagne–Pays de la Loire high-speed rail line, which saved 14,000 tonnes of CO_2 equivalent during the project thanks to 23 innovative low-carbon technical solutions. This ground-breaking approach achieved international recognition at the Conference of the International Union of Railways held in Vienna in October 2016.

In 2018, the Group continued its work throughout the entire Group to combat climate change by:

- signing the Climate-Finance Pact, a European initiative launched by the economist Pierre Larrouturou and the climatologist Jean Jouzel;
- creating, as suggested by the Strategy and CSR Committee of Eiffage's Board of Directors, a new indicator to assess the deployment rate for the Group's low-carbon solutions, to supplement the existing indicator and targets for reducing internal emissions.

These two actions are described in detail in the non-financial performance statement.

Lastly, the Group's newly formed Compliance Committee was keen to take on board the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for climate reporting. It therefore launched a study in order to formally document the risks and opportunities associated with climate change and set out a roadmap and targets for reducing its greenhouse gas emissions over the long term, in line with the European Union's target of limiting global warming to 2°C. The initial elements resulting from this work are presented below.

- Governance of climate risk

The strategy is led by the Group's General Management. The Board of Directors is heavily involved in the process via its Strategy and CSR Committee.

- Risks and opportunities

The procedure to assess risks and opportunities is divided into three key phases:

1. Initially, industry analysis was carried out to identify and rank the physical and transition risks and opportunities considered most relevant by companies in the construction and civil engineering sectors.
2. The five principal physical and transition risks and opportunities were then selected in consultation with Eiffage's key industry stakeholders. The aim of this consultation process was to gather the perceptions of these key stakeholders to gain an understanding of Eiffage's current perceived exposure to these risks and opportunities. An in-depth analysis will subsequently be conducted to assess Eiffage's sensitivity to the five identified risks and opportunities.
3. The third phase will involve an assessment of the future exposure to the five identified risks and opportunities based on detailed bibliographical research, in order to produce a map of risks and opportunities at every stage of the value chain by analysing scenarios.

The scope of the study will be limited to Europe, in particular Spain, Germany, Benelux and mainland France.

Following the consultation phase with Eiffage's key stakeholders, the six main risks and opportunities that have been identified with a view to in-depth assessment are as follows:

1. Risk of a failure by the Group to attract new talent experienced in climate change issues (transition risk)
2. Risk of inadequate employee training in newly required climate change skills (transition risk)
3. Opportunity to respond to requests from customers and local authorities for innovative low-carbon and more climate-resilient solutions and engineering structures
4. Opportunity to attract public and private financing favouring low-carbon and more climate-resilient solutions through clearer and innovative offerings (transition opportunity)
5. Opportunity to position the Group as a leader in the sector by implementing an ambitious roadmap to reduce direct and indirect energy-related emissions to help limit global warming to 2°C (transition opportunity)
6. Risk of interruptions in the production of certain materials extracted from quarry sites vulnerable to a rise in flooding incidents caused by climate change (physical risk).

A forward-looking scenario analysis will be carried out for each of the six risks and opportunities identified above, in line with TCFD recommendations. The resources required to complete this scenario analysis include: climate model forecast analysis (for physical risks and opportunities); additional documentary analysis, if necessary; analysis of forecasts using various energy-economy models (for transition risks and opportunities); and internal Eiffage data, if relevant for specific risks and opportunities.

- **Description of the resilience of the strategy and the organisation**

A study is currently under way to identify the roadmap to reduce greenhouse gas emissions, in keeping with the objectives of the Paris Agreement, and adjust or draw up targets for the short, medium and long term as well as a potential new action plan for reductions to achieve these targets.

In this regard, Eiffage applies the methods developed by the Science-Based Targets initiative (SBTi). Launched in 2015 by the World Wide Fund for Nature (WWF), the World Resources Institute (WRI) and Carbon Disclosure Project (CDP), these methods help companies set targets to reduce greenhouse gas emissions in line with the level of decarbonisation required to keep global warming below 2°C compared to pre-industrial temperatures, as described in the assessment reports of the Intergovernmental Panel on Climate Change (IPCC).

On the basis of the analyses carried out as part of this study and in accordance with the SBTi recommendations, a procedure involving both the sectoral decarbonisation approach (SDA) and the absolute emissions contraction (AEC) method will be used to identify targets for Scope 1, 2 and 3 emissions. These methods help to define reduction targets to ensure that the carbon budget remains below 2°C, while lowering absolute emissions over the long term.

Reduction targets will thus be set for Scope 1 and 2 emissions in absolute terms, and then applied for all of Eiffage's emissions (Scope 1, 2 and 3) depending on their intensity, in line with the Group's growth prospects.

- **Indicators and targets**

In 2019, studies will be carried out to verify the compliance of existing targets and indicators across the Group.

G. Information concerning payment terms for Eiffage SA's suppliers and customers (table as required by Article D.441-4 of the French Commercial Code)

In euros

	Article D.441-4 I.-1°: Invoices received and due but not settled at the balance sheet date					**Article D.441-4 I.-2°: Invoices issued and due but not settled at the balance sheet date**				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Maturity analysis of late payments										
Invoices concerned – Number	–				30	–				23
Invoices concerned – Total amount, including taxes	102,042	14,425		277,506	393,973		41,998		519,674	561,672
Invoices concerned – Total amount, including taxes, as a percentage of purchases for the year	0.69%	0.10%		1.87%	2.66%					
Invoices concerned – Total amount, including taxes, as a percentage of revenue for the year	–						0.12%		1.47%	1.59%
(B) Invoices excluded from (A) relating to amounts payable or receivable that are in dispute or were not recognised										
Invoices excluded – Number	None					None				
Invoices excluded – Total amount	None					None				
(C) Payment terms used as reference (contractual or statutory payment terms – Article L.441-6 or Article L.443-1 of the French Commercial Code)										
Payment terms used to determine late payment	**Contractual terms of payment:** Less than statutory payment term if term is contractual **Statutory terms of payment:** Application of statutory payment terms for the supplier's sector of activity					**Contractual terms of payment:** Less than 45 days from end of month **Statutory terms of payment:** 45 days from end of month				

The Board of Directors

Employment, environmental and social responsibility information for 2018

01 —

The Eiffage Group's sustainable development commitment

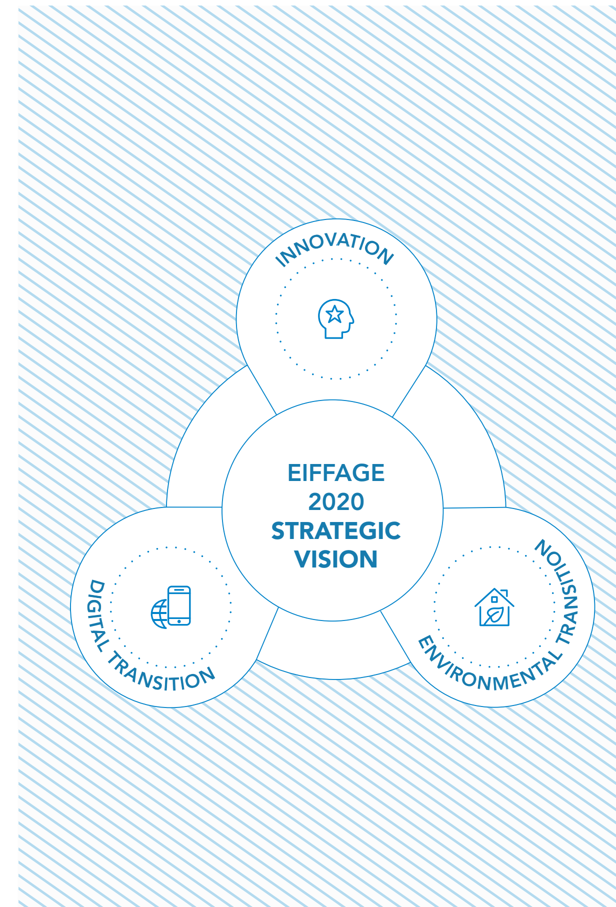
Eiffage is deeply committed to sustainable development, and this is reflected in the Group's business model for all its operations. All the commitments underpinning the Group's sustainable development initiatives have been signed by its Chairman and Chief Executive Officer. They are made public and accessible to all stakeholders through the Group's website.

Eiffage's founding Sustainable Development Charter was updated by Benoît de Ruffray in July 2016. It describes the environmental, employment and social considerations and objectives that all Group employees must integrate into their work. The Water & Aquatic Environment Charter and the Biodiversity Charter set out additional, complementary goals.

In 2017, a further commitment was made when the Eiffage Group announced its new strategic plan, Eiffage 2020. The plan applies to all divisions and officially positions the environmental transition as one of the three pillars of the Group's growth, along with innovation and the digital transition.

Note to the reader
The employment, environmental and social responsibility information published in this chapter meets the requirements of article L.225-102-1 of the French Commercial Code (*Code de commerce*) and Order no. 2017-1180 of 19 July 2017 on the publication of non-financial information by certain large companies and groups of companies. It constitutes our non-financial performance statement. According to the thresholds applied for 2018, CSR data must be disclosed for the Group and its divisions. In this statement, initiatives and policies relating to the scope of the Group also relate to the subsidiaries.

In addition to this information, Eiffage also publishes a sustainable development website, accessible from Eiffage's general website, offering an expanded digital version of the CSR report. The website provides detailed descriptions and examples of the Group's employment, environmental and social policies and commitments. The information published in this chapter covers the Group's initiatives in the current year and, where relevant, in previous years. Performance indicators relate to calendar years.
A note on the methodology used to report qualitative and quantitative data is provided in the appendices.

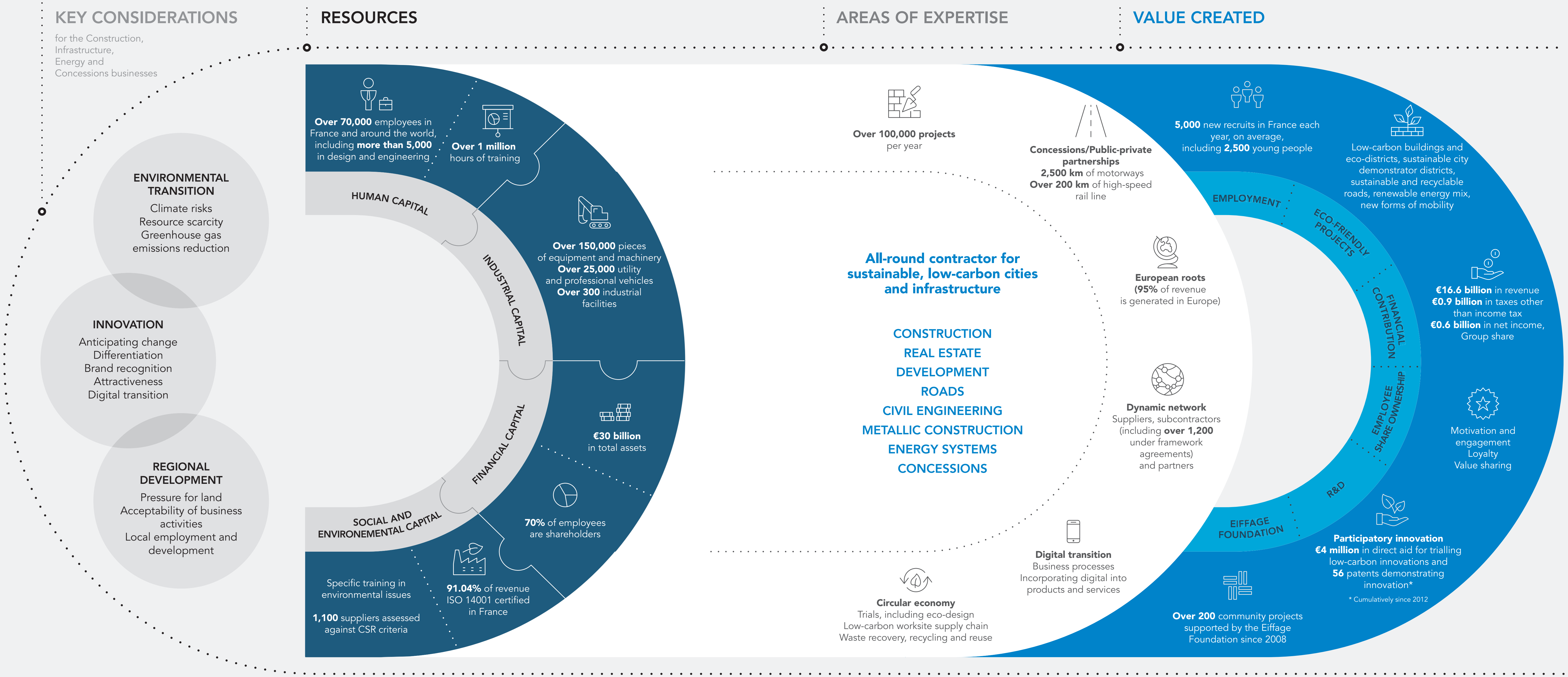


The figure that follows provides an overview of this strategic plan at the core of the Group's business model to complement the description of the Group's operations presented in the management report. It enables the Company's internal and external stakeholders to identify the Group's operations, products and services and the Company's value-creating factors.

Eiffage's business model

Operational excellence

Eiffage has made innovation, the environmental transition and the digital transition the three pillars of its strategic plan.



01 —

Identifying the material issues

In 2018, a materiality assessment was conducted for the first time with our external stakeholders in France and in Europe, enabling us to compare our internal vision of priority issues with that of our employees, partners, suppliers and customers.

Conducted from September 2017 to June 2018, this assessment highlighted the issues that were perceived as material and our maturity level in these areas, in order to better evaluate the sustainability of our business model, our regulatory compliance and our outlook for the years to come.

For this assessment, an analysis of internal and external stakeholders was carried out in accordance with ISO 26000.

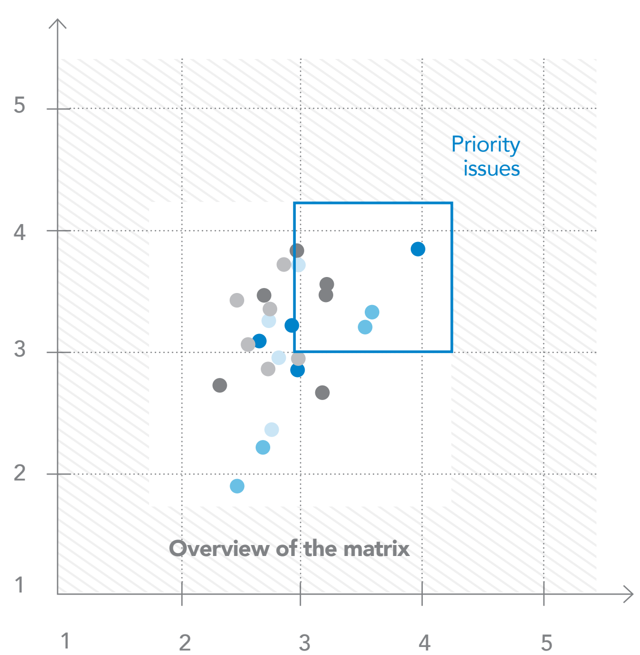
More than 50 people representing nine different stakeholder groups were interviewed in France and Europe, mostly to obtain qualitative data.

In-house working groups selected 24 issues based on an industry benchmark. The issues fell into five categories: Governance, Workforce/Employment, Social, Environment and Innovation. Each interviewee was asked to score the issue's risk level, performance and impact on a scale of 1 to 5.

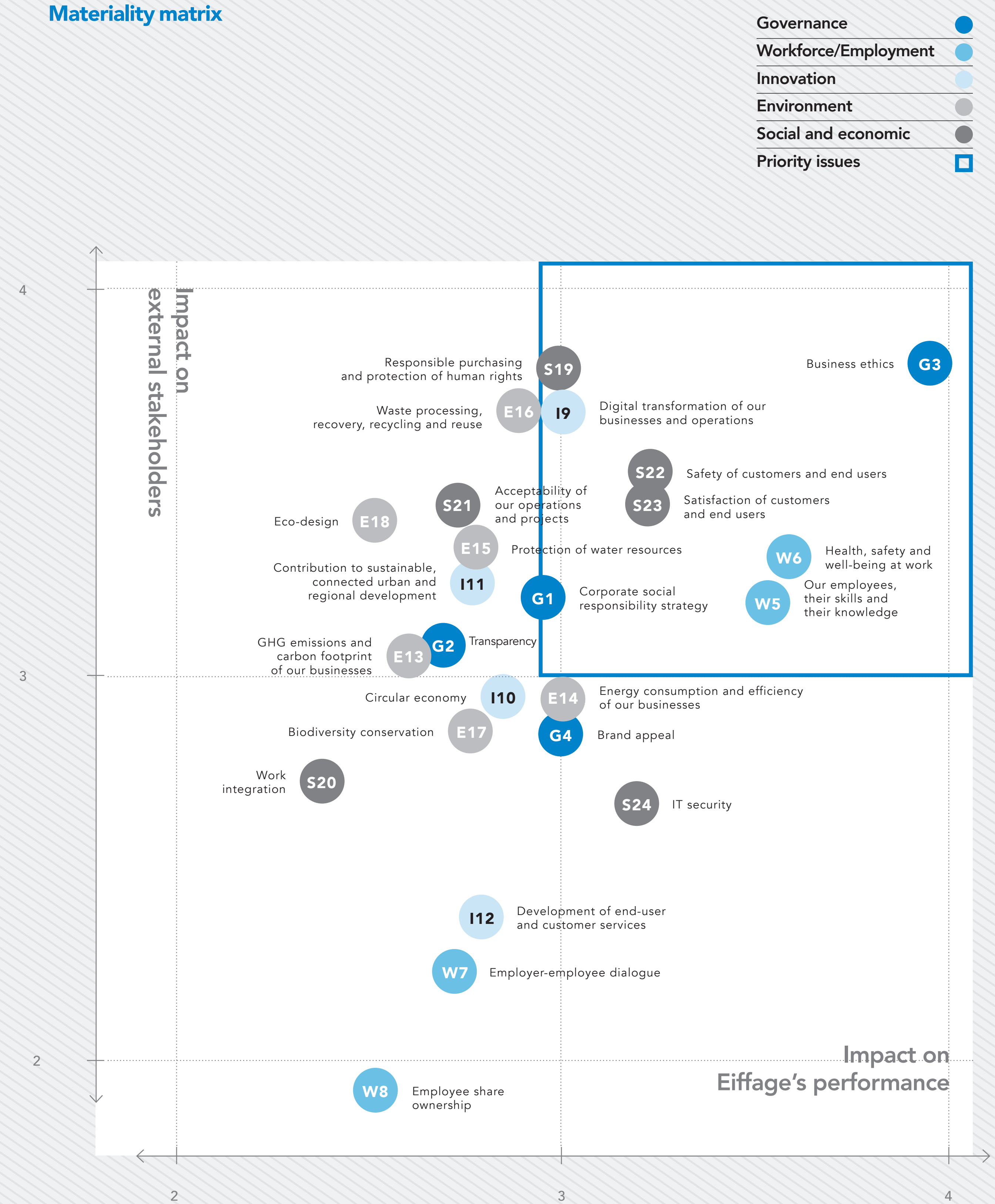
The first observation made from the matrix summarising the feedback was that external and internal stakeholders have relatively similar views on which issues are material, despite slight differences regarding the environment, employee share ownership, the digital transition and the contribution to regional development.

The second finding was the clear identification of eight priority issues (framed in the square at the top of the matrix), with an average score ranging from 3.4 to 3.7 out of 5. Company strategy, business ethics, skills management, risk prevention, user health and safety, responsible purchasing and the protection of human rights are topics that have already been addressed by the Group, incorporated into the risk matrix, and included in the strategic plan for 2020. Significant progress has also been made with the digital transition, one of the plan's three pillars. Although environmental issues did not directly emerge as priorities in the assessment, they have been clearly identified in the Group's risk map, as described in the Risk factors and Internal control procedures sections of the Directors' report.

Our commitments and tangible action to address the issues identified are presented in the following sections. They are divided into two broad categories: priority issues (Values and ethics; Prevention, health and safety; Low-carbon strategy) and other major considerations (Human capital, Environment and Social footprint).



Materiality matrix



02 —

Values and ethics

"Making the Difference" is Eiffage's signature. We bring it to life each day through our decisions and actions. It is an approach that has been substantiated over time by our unique employee share ownership model and has emerged from the values that have formed the core identity of our Group ever since it was founded.

For many years, the Eiffage Group has upheld internal and third-party ethics guidelines applicable to all relevant stakeholders, first and foremost of which are the Group's employees. These rules aim to ensure integrity and statutory compliance across all entities and in all regions in which Eiffage operates. They also reflect the Group's desire to build growth based on trust and loyalty among customers and partners.

The Values charter setting out the intangible principles that every employee must understand and uphold was revised in 2018. It covers customer satisfaction, treating employees with respect, maintaining well-balanced relationships with shareholders, and taking into account stakeholder expectations, such as those of partners, suppliers and subcontractors, public authorities, non-profit organisations and local residents.
Eiffage's six values were reaffirmed and their content redefined:
- Leading by example – whatever the circumstances, we act in an ethical, honest manner that is perfectly within the rules.
- Trust – we trust our employees, our cross-business relationships within the Group and our stakeholders.
- Responsibility – everyone has a role in safeguarding the people and equipment under our responsibility.
- Transparency – information provided must be accurate, complete and shared in a timely manner.
- Lucidity – being clear-headed helps to ensure we set attainable goals and uphold our commitments.
- Courage and pugnacity – a fighting spirit is necessary to weather periods of slower business.

Furthermore, given the additional obligations arising from France's Sapin 2 legislation, measures to prevent and fight corruption were introduced or reinforced (see the Internal control and Risk management sections of the Directors' report). In this context of increasingly high standards of corporate transparency and decision-making, Eiffage updated the ethical rules in its Code of Conduct, which defines and illustrates the types of behaviour to avoid in order to prevent corruption. Clarity, leading by example and uncompromising standards are its key principles. Eiffage University offers "Trade and Ethics" training that is mandatory for profit centre managers and any employee in direct business relationships with customers.

Eiffage's core values apply to all Group establishments and guarantee compliance with the Group's international CSR commitments.

Almost all the countries in which the Group operates have ratified the fundamental conventions of the International Labour Organization (ILO). Eiffage is therefore fully committed to upholding these rules on:
- Forced labour (C29-C105)
- Child labour (C138-C182)
- Discrimination (C100-C111)
- Freedom of association and right to organise (C87-C98)

By joining the Global Compact, Eiffage made a commitment to incorporate, spread and advance the major United Nations principles. The Global Compact encourages companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. Every year since 2005, the Group has renewed its commitment to the UN Secretary General in its "Communication on Progress", which details all Group actions aimed at achieving the objectives defined in accordance with the Global Compact principles.

Effective implementation of these principles requires a set of measures, which the Group incorporates into its corporate strategy and that are carried out through the commitments and actions of its divisions (see Appendix 1: Cross-reference table comparing the principles of the Global Compact and Eiffage data).

In 2011, the fundamental elements of Eiffage's ethical approach were compiled in the Ethics & Commitments Guide, which is available on the Group's website. It sets out the rights and responsibilities of all Group employees, as well as the Group's commitments to its external stakeholders. This seminal document also includes summaries of specific policies, such as the sustainable development and environment policies.

Employee share ownership: a unique Eiffage asset leading to long-lasting employee engagement
Since it was launched in 1992, the employee share ownership programme has been an undeniable success, giving the Group's employees a direct stake in their Company's economic and financial performance.
In 2018, it accounted for 17.6% of the Group's capital – a level rarely seen in listed companies. By gradually opening the shareholding programme to employees of the Group's foreign subsidiaries, the management team hopes to make every employee a shareholder.

03 —

Prevention, health and safety

Preventing incidents and accidents and ensuring safety every day for every project and in all our operations is both a priority and a strategic choice, supported at the highest level by the Chairman and Chief Executive Officer. Although the main aim is to ensure our employees are safe, safety also boosts performance. The two aspects are intrinsically linked – greater safety and security improves the Group's performance. Group objectives for accident prevention, defined in terms of accident frequency, have been set to bring the frequency rate down to 6 by 2020.
—Table 7: Health - Safety

In terms of its strategy, Eiffage has shifted from a safety policy, long focused on achieving the target of zero accidents, to a safety culture aiming for "zero risk", also called **"100% safety"**. This is a real change in culture looking to more carefully analyse risk situations and better address any malfunctions or anomalies observed. In support of these objectives, each division adapts the Group's initiatives to their businesses. The following are also developed:
- Specific training and communication campaigns to improve accident prevention and safety.
- Innovative and collaborative tools to win the safety battle.

Every day, steps are also taken to combat physical strain and safeguard the health of employees.
In addition to these initiatives, all divisions implement evaluation, audit and internal control processes, including:
- systematic assessments of risks at worksites or related to specific projects;
- regular worksite inspections by prevention officers to check that safety rules are followed;
- audits to analyse workplace accidents and determine their causes.

In 2018, a new safety audit process in the Construction division was designed collaboratively with workers, managers and prevention officers. The process is now supplemented with a self-assessment programme. Seven prevention and safety topics were defined, and for each, five key questions help managers identify areas for improvement. This self-assessment questionnaire will be expanded to include prevention officers in 2019. The aim of the programme is to enable managers and prevention officers to compare their safety diagnoses and identified priorities for the entity. It was rolled out in Benelux and Poland and 2018 and will be launched in Switzerland in 2019.

Eiffage Construction Basse Normandie, award winner in 2018 for its prevention and safety initiatives
The EGF-BTP Health Safety Prevention competition distinguished five winners from Eiffage Construction, including the regional Basse-Normandie office, which received the 2018 Special Award for implementing joint tradesperson-manager inspections to raise risk prevention awareness among teams. These inspections were systematically carried out by a tradesperson and a manager every month at each worksite. A discussion then followed, and the 81 Eiffage Construction Basse-Normandie workers were encouraged to share their viewpoints and help set up prevention initiatives.

The Dakar motorway, the first West African company to be ISO 45001 certified in 2018
The safety of staff and customers is a daily focus for Senac SA, the company holding the concession for the Motorway of the Future in Dakar. For this reason, the decision was made in 2017 to begin the ISO 45001 certification process. The aim of the standard is to create a safety framework that enables the continuous improvement of worker protection and the reduction of occupational risks in the workplace. Following the audit of its occupational health and safety management, the system set up at Senac SA was certified in 2018. Senac SA is the first company in West Africa from any industry to have obtained this certification.

Designing tailored training and communication campaigns to improve safety and prevention

A broad range of communications to create a sustainable, 100% safety culture

The divisions have redesigned and reinforced their safety and prevention measures based on the specific aspects of their businesses, systematically aiming to reduce risk to zero.

The end goal is to create a safety culture by better addressing anomalies. Instead of sending negative messages focusing on restrictions, the Prevention communication campaign emphasises the positive aspects and potential benefits for employees and takes a more collaborative approach.

A wide range of initiatives have been implemented, with Prevention departments using all the tools at their disposal and fostering cooperation and collective vigilance:

- Methodical dissemination of information to raise awareness and regular campaigns on accident prevention and safety.
- Weekly 15-minute safety sessions on worksites, basic safety training specifically for tradespeople along with tests and prevention challenges.
- Specific training for managers.
- Participation of various prevention specialists during technical training courses to help integrate safety into all aspects of site work.

The Infrastructure division has continued with its "Safety Performance" manager awareness programme, designed to span three years. The division plans to reach all of its 5,000 managers in France and around the world by the end of 2019 (1,000 trained in 2018). Its six guiding principles help managers develop leadership skills and act as a driving force in this area.

The Construction division published special "Prevention Horizon 2020" reports in all three issues of its internal magazine in 2018. The reports highlight priority prevention initiatives and use the visual identity reserved for the division's safety communications. Reiterating messages using different media helps to maintain a high level of vigilance.

In 2018, APRR continued to roll out its SafeStart® programme designed to prevent accidents in the workplace and in the home by encouraging employees to take responsibility for their own safety and remain vigilant at all times. This culture of prevention is now an integral part of the early project or development design phase, ahead of purchasing. At the AREA subsidiary, ten in-house instructors trained 319 employees to use the SafeStart® method.

By the end of 2020, all APRR-AREA employees – operational staff and support functions combined – will have completed the training.

Cross-division initiatives to spread the culture of safety and prevention

The Group's employees are also exposed to road-related risks such as traffic violations and road accidents. Eiffage's divisions in western France have together made a joint commitment to "Seven steps to safer roads". It is a preamble to the upcoming road safety awareness programme that will be deployed by the Group and has already been implemented by the Infrastructure division.

Prevention officers in the four divisions have been provided with a training kit (including videos, a short film, tips, testimonials, etc.) and a communication kit designed by France's road safety agency. These tools, bearing Eiffage's visual identity, were used in the 15-minute safety sessions and as part of a quiz on the danger of distractions while driving, especially smartphones.

The 3,500 employees targeted by initiatives launched in western France received a letter presenting the seven steps. Company vehicle fleets will display stickers that serve as reminders of the Group's commitment. Awareness-building sessions and training in eco-driving were also held in 2018 and will be repeated in 2019.

The Group-wide Eiffage Prevention club was created by the prevention officers of the Auvergne Rhône-Alpes region in 2018. It brings managers together so they can develop a shared vision and exchange best practice in prevention. The prevention officers from the various divisions now meet on a regular basis to learn from each other's experience.

Developing innovative and collaborative tools to win the safety battle

All divisions have introduced mobile apps to improve prevention and have equipped managerial staff with specially designed digital reporting tools that facilitate the upward flow of information following worksite visits and improve the reporting of situations of risk.

- The Energy Systems division developed an app called "Easy" that covers the six basic rules set out in the strategic plan for risk prevention. An updated version of the app incorporating feedback from users is currently under development and will include new features for 15-minute safety sessions and additional reports. It will help users to respond to, analyse and process data more quickly. The tool attracted the interest of APRR, which approached the Energy Systems division to adapt "Easy" to their own businesses. The result was the launch of Numa Prévention by APRR-AREA, one of the apps in the Numa motorway digitisation programme – an inspiring example of synergy.

- The Safety Force® smartphone app created in 2016 by the Infrastructure division has been improved. This app, which has won multiple awards both in France and internationally, can be used to assess safety performance in real time at all the division's worksites. It aims to identify deviations from safety standards so that the situation can be addressed as early as possible. The app also uses a very innovative algorithm that continuously calculates the probability of an accident.

APRR and Intellinium develop a connected shoe to protect lone workers

APRR monitors technological innovations to continuously enhance the safety of its employees. It therefore partnered with Intellinium to develop a connected shoe prototype. The shoe contains an electronic chip near the ankle. Applied to real-life situations, the shoe offers obvious benefits; it includes an alert device for lone workers, for example when they are on call. In the event of a problem, the worker simply presses a card to activate the geolocation system and waits for assistance to arrive. Another feature of the shoe is a dynamic detection system connected to sensors embedded in cones. If a vehicle enters a protected area, for example by running into a safety cone, the shoe vibrates to warn the worker. Similarly, if a van or other vehicle backs up unexpectedly and a worker is behind it, they are warned of the danger at the same time as the driver. Testing of the connected shoe began in the first quarter of 2019.

Taking tangible steps to combat physical strain and safeguard health

Eiffage's policy in terms of combating physical strain and health has several objectives:

- Prevent musculoskeletal disorders by introducing new equipment and work postures.
- Take tangible steps to fulfil the agreement on preventing psychosocial risks.
- Better measure the impact of chemical substances on health and the environment and research alternatives.

Preventing musculoskeletal disorders

Musculoskeletal disorders (MSDs) account for 80% of work-related illnesses. Eiffage strives to prevent them in two main ways: by improving equipment to reduce risk, and by encouraging tradespeople to adopt healthy work postures by promoting the "right moves".

- The Infrastructure division is involved in cutting-edge research and development programmes to prevent musculoskeletal disorders. It has formed a partnership with a Swedish start-up, Bioservo Technologies AB, to develop a robotic glove that will reduce the strain on workers in performing certain manual operations. The glove can help prevent the development of MSDs of the hand or enable people with disabilities to enter or return to the workplace. The numerous tests carried out in various real-life work environments indicate that the glove reduces the necessary force exerted by the worker's hand by 25% to 82%, depending on the task involved. A marketable version of the glove will be produced in 2019. Eiffage and Bioservo are already working on equipment that could supplement the force exerted by the entire arm.

- Elite athletes have been joining Eiffage's teams for many years, in particular to support their career in sports while improving their professional stability. The boxer Souleymane Cissokho has run several warm-up sessions for tradespeople at Eiffage Construction to help them reduce their risk of developing a muscular disorder. The example set by this elite athlete sends out a strong message about the value of regular muscle warm-ups.

- Eiffage Génie Civil in the Greater Paris region has developed an assisted drill for horizontal drilling on the Grand Paris worksites. It eliminates the need to carry heavy loads, improves posture and reduces noise and projections. New machinery is also being introduced to move from manual to mechanical asphalt spreading, which is significantly less strenuous for operators.

Preventing psychosocial risks

Following a six-year implementation period for the agreement on prevention of stress and psychosocial risks (PRs), a new agreement was signed at the end of 2017 that includes the right to disconnect. To fully ensure a proper work-life balance, the Company recommends that its employees refrain from using remote communication tools outside their working hours and holidays, except in an emergency. A study was carried out in 2018 on the feasibility of triggering an alert when an employee checks email outside of work hours, for example. The agreement on stress and PRs emphasised three points:

- Reinforced training: PR officers will undergo training every two years to update their knowledge. Supervisors must be aware of the problems caused by psychosocial risks. As such, they will receive special training delivered by Eiffage University (Essential Prevention of Stress and PR). Employees will specifically learn how to handle tension within the workplace and about the impact of potentially stressful internal restructuring operations. A module on the right to disconnect was introduced in 2018. An e-learning session on using new technologies will be launched. Lastly, time management training was added to the Eiffage University cursus.

03 —

Psychosocial risk prevention

500

employees trained in 2017 and 2018

- Reinforced communication: a special counselling unit for employees was formed. It was also decided to communicate more broadly on the issue to employees, for example through "prevention updates" on stress prevention and the right to disconnect.

- Reinforced monitoring by a Group-level committee, which now meets twice a year instead of once, to follow up on implementation of the agreement. A list of key indicators must be provided every six months. In addition, any case of suicide or attempted suicide must be analysed.

The counselling unit set up by the Group to prevent psychosocial risks received 59 calls in 2018. 61% of the cases were closed after the first call; 33% of the calls were about work-related concerns.

In 2018, in order to prevent these harmful situations, the Group's management team enlisted the help of Philippe Rodet, a specialist in workplace management and stress in France. Benoît de Ruffray gave his full backing to the initiative, which is working to develop a training course on "supportive leadership" for 2019 to encourage managers to gradually adopt management styles that favour empathy and a long-term vision over exclusively short-term pressures. The first training session will be held for the Executive Committee in January 2019. During the year, an action plan will be deployed among local entities. This is a very innovative approach for the construction industry.

Better measuring the impact of chemicals on health and the environment, and finding alternatives

Employees in construction and public works may be exposed to chemical substances that in certain conditions can be hazardous to their health and the environment. The Infrastructure and Energy Systems divisions are at the forefront of research to prevent these risks.

In 2018, the Infrastructure division became an official partner for the "Healthy Workplaces Manage Dangerous Substances" campaign by the European Occupational Safety and Health Agency (EU-OSHA). This is a first for a French civil engineering company.

The European campaign will now be incorporated into the division's various research, prevention and health protection programmes. Several initiatives are already underway:

- Inclusion of a workplace health module in the basic safety training course for workers.
- Roll-out of software to assist in the formulation of chemical mixtures to develop finished products with a lower impact on health and the environment (Formula Safe©).
- Research on occupational exposure with a team of specialist toxicologists at the Grenoble-Alpes University Hospital.
- Awareness campaigns across social media.
- Publication of articles in industry and scientific journals.

Resulting from in-house collaboration among the Prevention department, the technical departments of the Infrastructure division and the Sustainable Development and Transversal Innovation department, Formula Safe© is a type of software that assists the formulation of chemical mixtures to develop finished products with the lowest possible health and environmental impact even before any handling or laboratory trials. It can simulate the impact of the mixtures in a range of situations (indoors or outdoors, at varying temperatures) in order to closely model real-life conditions of use. A preview of the tool was revealed in 2018 in Portugal at an international seminar on health at work.

Another area of research is the occupational exposure to soil decontamination work and preventive action, on which very little scientific and technical literature exists. The Infrastructure division is therefore collaborating with the Grenoble-Alpes University Hospital to carry out an innovative study involving the atmospheric and biological monitoring of the occupational exposure of employees on soil decontamination worksites. The study will show whether the prevention and protection measures implemented for this work are effective. Another objective is to identify the main factors that determine the level of exposure and validate the prevention and protection measures implemented (intervention methodology, watering of polluted soil, showering, site zoning, dust suppression, pressurised and filtered cabins, respiratory protection, disposable coveralls, gloves).

The Infrastructure division also partnered with two academic research laboratories, Ifsttar and Cerema, and with the CMA (*Collège des membres associés*), a road industry trade union, to find a substitute for perchloroethylene, a substance used to characterise asphalt aggregates. A new infrared spectroscopy process has been developed that eliminates the risk of exposure while offering greater speed and cost efficiency.

04 —

Low-carbon strategy and energy performance

Innovation and R&D investments clearly focused on the low-carbon economy

Faced with the reality of climate disruption and the fact that the construction, public works and transport industries have in the past been net contributors to greenhouse gas emissions, Eiffage has made innovation and the environmental transition two major pillars of its strategy since 2016.

Eiffage, like all industries dealing with urban environments and infrastructure, is carrying out a major shift to its business model. For one, there is a high demand for the construction and especially the renovation of housing, neighbourhoods, and transport and energy infrastructure in France and around the world. In addition to this challenge, Eiffage operates in a global environment where the consequences of climate change are tangible and aggravate natural risks. And yet, as of 2017, CO_2 emissions are once again on the rise.

Given this context, the Group is positioning itself as a leader in low-carbon construction and using its strong innovative skills to promote shared sustainable development with the aim of reducing emissions along the entire value chain and becoming a key player in new markets driven by the low-carbon economy.

In addition to its businesses' expertise in reducing sources of greenhouse gas emissions and adapting to the consequences of climate change, Eiffage has, since April 2018, contributed as an active, official supporter of the Climate-Finance Pact initiative launched in 2018 by economist Pierre Larrouturou and climatologist Jean Jouzel, former Vice President of the IPCC, which was a co-recipient of the Nobel Peace Prize in 2007.

Carbon and how to avoid, reduce and replace it

Today, all of the Group's divisions can not only produce high-performance commercial products and services that emit less CO_2 than standard regulatory offerings, but also reduce residual emissions and develop alternative solutions that are fully independent from fossil fuels.

For example, the Group both invests in and drives the following new markets:

- Highly energy-efficient housing and neighbourhoods
- Sustainable construction using low-carbon materials
- Roads with high environmental added-value
- Optimised use of materials in civil engineering
- Know-how in the reduction of energy needs at source and expert skills in the field of renewable energies
- New forms of mobility, from autonomous shuttles to cable transport
- Turnkey projects whose total cost approach results in innovative and high-quality offerings in terms of lifecycle analysis.

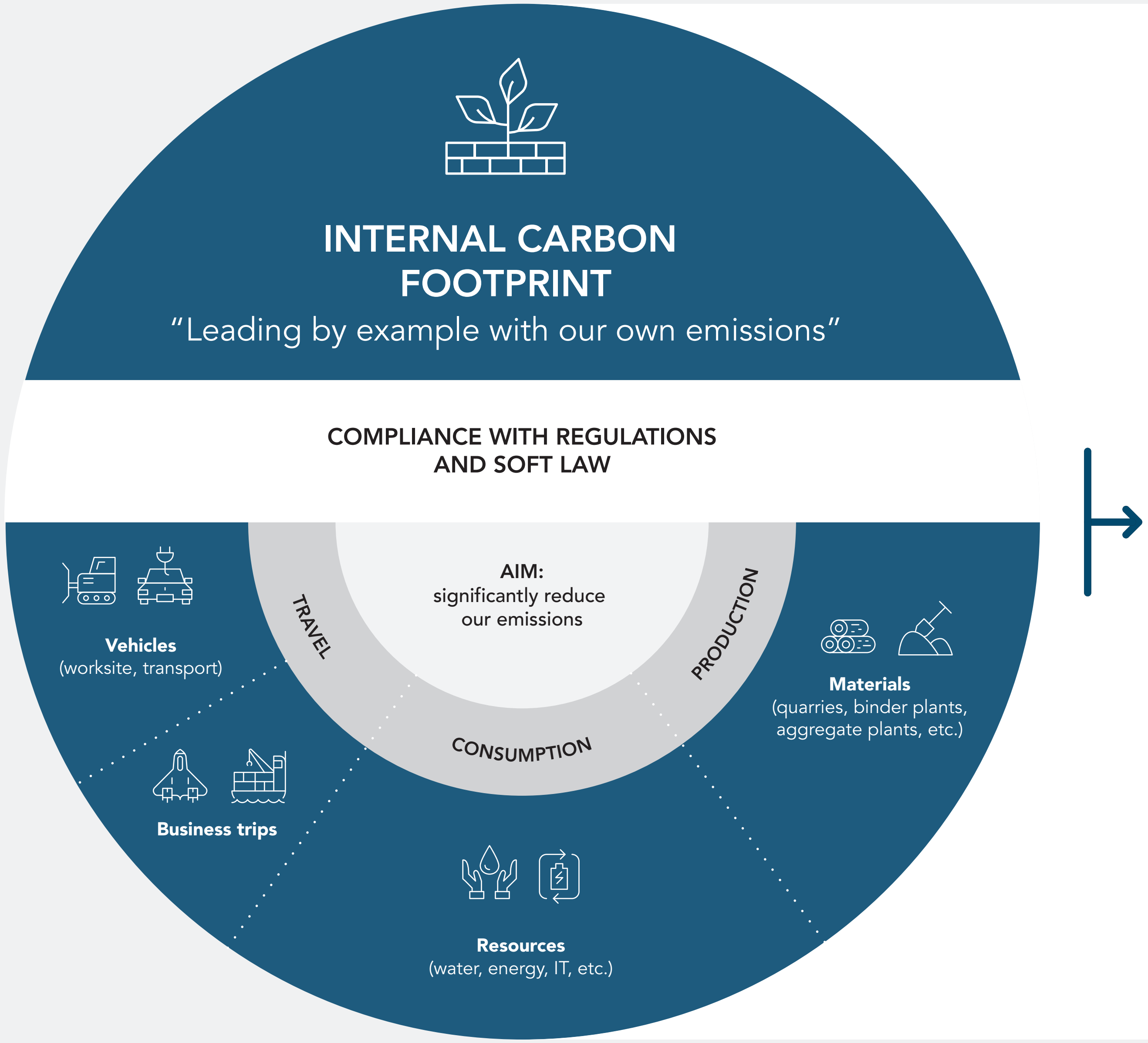
Carbon avoidance indicator

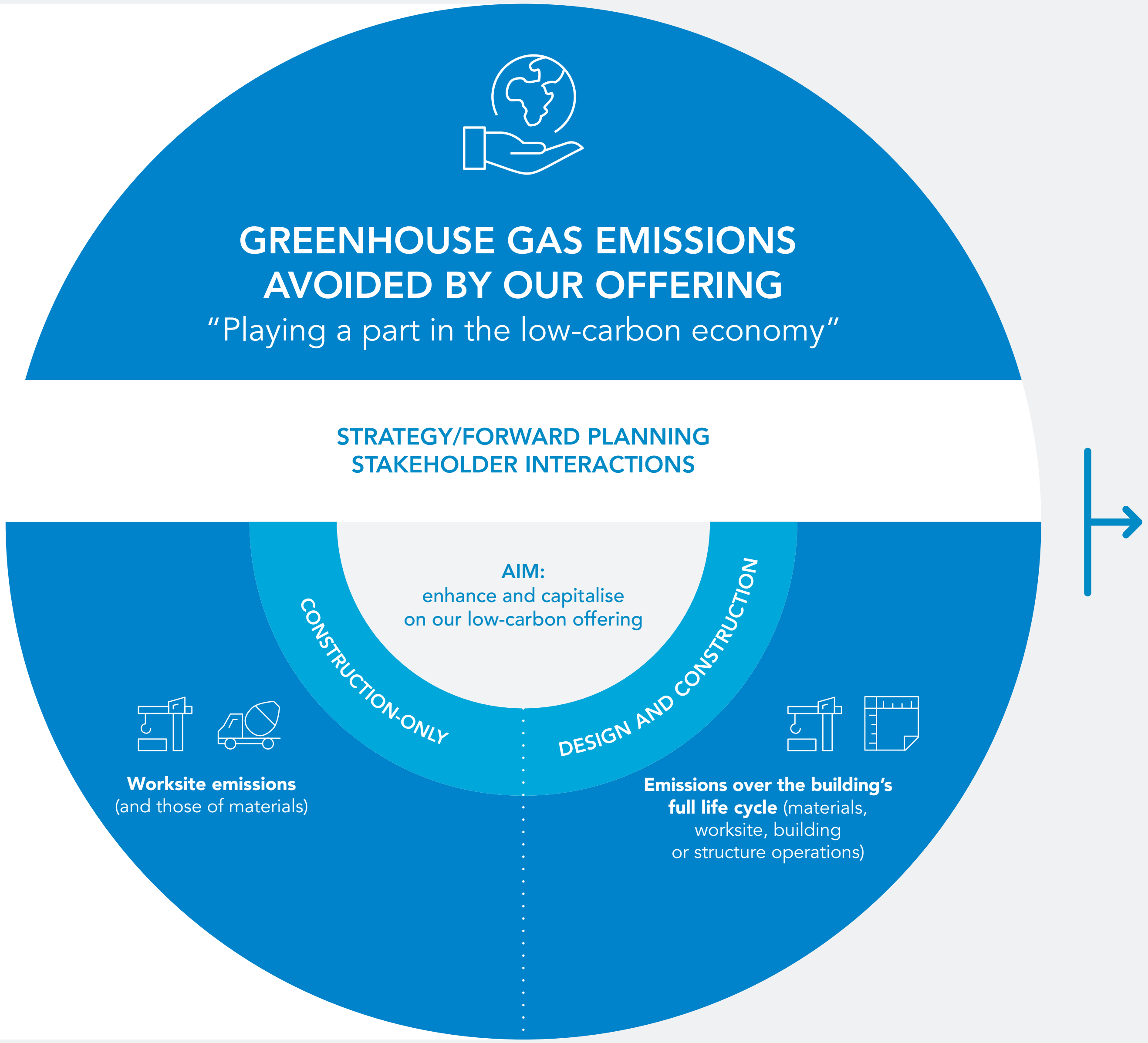
In response to a request made by the Strategy and CSR Committee of the Eiffage Board of Directors on 24 July 2018, a major step forward was taken in December 2018 with the adoption of a new indicator, in addition to the traditional indicator of CO_2 emissions, applied to the Group's internal scope (Eiffage-owned industrial and property assets).

The new indicators measure the avoidance of carbon emissions, not their production, achieved through the virtuous circle created by the Group's offerings. It therefore provides an additional measurement of the penetration rate of the Group's low-carbon offerings.

Low-carbon strategy

Eiffage sees low-carbon construction as an opportunity to make the difference. It harnesses the power of its innovation for shared sustainable development to lower emissions right across the value chain and establish itself as a prime mover in the new low-carbon economy markets.





In practice, each time a product or service reduces carbon emissions compared to a traditional regulatory solution, these avoided emissions will be tallied and compiled in a system that measures whether the volume targets for low-carbon offerings have been met by each business in the Group.

Whether the avoidance is achieved using existing solutions marketed by the Group's operational divisions or the virtuous solutions offered by its partners and suppliers, the indicator measures the Group's strategic ability to move its business model towards a global low-carbon offering that will become tomorrow's standard. Eiffage is the first civil engineering group in France to track this strategic indicator.

In perfect alignment with the entire Group's commitment to this low-carbon strategy, Eiffage is applying the official recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD) for its climate-related reporting as of 2019. The rules promote transparent reporting between companies and investors to reduce investment risks and align short-term financial decision-making with long-term climate change considerations.

The Group plans to be fully compliant with the TCFD's recommendations in 2020. (See the Low-carbon strategy section of the Directors' report.)

An exclusive financing mechanism, the carbon energy arbitrage fund

To facilitate the implementation of innovative low-carbon solutions even prior to calls for tenders, Eiffage created a specific financing mechanism known as the E-Face fund (E-Face is the French acronym for Eiffage carbon energy arbitrage fund).

This exclusive system was designed by the Group and tested for the first time with the Bretagne–Pays de la Loire high-speed rail project. It does not fund 100% of a low-carbon solution, but only the difference in cost between a traditional CO_2-emitting solution and its low-carbon alternative, which often costs more because the necessary production volume to generate economies of scale has not been reached.

By introducing a source of leverage amounting to €2 million per year, E-Face encourages entities to compare the lifecycle carbon impacts of products and processes and, if the requirements are met, can eliminate the financial obstacle to the development of the low-carbon solution.

E-Face therefore supports the entire R&D ecosystem dedicated to low-carbon products and processes, whether in-house or provided by suppliers or partners, giving these solutions the opportunity to be selected, implemented, identified and replicated.

E-Face fund
€265.60: average cost of one tonne of CO_2e avoided

A dedicated low-carbon team

At the same time, an expert unit for low-carbon eco-design was created within the Sustainable Development and Transversal Innovation department to support operational teams by:
- assisting with the carbon calculations for analysing the life cycles of buildings and engineering structures;
- promoting the principles of eco-design and access to updated databases of low-carbon materials;
- liaising, along with the Purchasing department, with partners and suppliers seeking to offer low-carbon innovations and co-develop or trial solutions;
- preparing and sharing information on new labels, feedback, operational guidelines and other documentation.

The low-carbon unit also facilitates the grant application process for the E-Face fund and helps support bids, given that the E-Face fund promotes price competitiveness right from the bidding phase.

An integrated offering for sustainable cities and infrastructure

Each of the four Eiffage divisions incorporates the consequences of climate change into its businesses and proposes a systematic, integrated offering for sustainable cities. As urban networks become increasingly structured, with financial resources that sometimes exceed those of governments, urban resilience has become an urgent issue as has, therefore, cities' ability to "survive" recurring and severe, even extreme, climate events.

Building differently, a hallmark of the Construction division and a driver of eco-design

Eiffage Construction develops an extensive range of low-carbon solutions. In addition to techniques to improve the energy efficiency of buildings, the division also offers a variety of alternative, non-traditional materials such as wood, the use of bio-based materials, and local energy production systems, sometimes on a neighbourhood scale. Eiffage Construction conducts pilot studies while spreading best practice in regions to meet increasingly urgent demands from contracting authorities and anticipate the implementation of thermal regulations in 2020. Eco-designed buildings such as the LaVallée eco-neighbourhood in Châtenay-Malabry (Hauts-de-Seine) and the Smartseille eco-neighbourhood in Marseille (Bouches-du-Rhône) were made possible through the sustainable city demonstrator programme.

Milestones achieved in wood construction

The Company has already completed more than 30 wood constructions, including major projects such as a five-story solid wood residential complex of 140 apartments in Ris-Orangis (Essonne), delivered in 2016, and another group of 150 apartments in a 12-storey building in Strasbourg (Bas-Rhin) that will be delivered in 2019. Another flagship project is the wood Hypérion apartment tower in Bordeaux (Gironde), 56 metres tall, to be delivered in 2021. The building permit was issued in 2018.

With each new project, our technical teams roll out innovations and apply for the necessary Atex technical certifications. Examples include the Atex issued for the façade of Hypérion or the multiple fire resistance tests of the Strasbourg building. The Company is also working closely with CSTB, France's Scientific and Technical Centre for Building, to optimise flooring made of CLT (cross laminated timber).

The division also set up a separate structure in the Greater Paris region, Eiffage Construction Bois, that continues to grow with two large-scale projects – one for Unibail-Rodamco-Westfield and the other for BNP Paribas Real Estate. Eiffage Construction Bois operates at the design stage via its integrated design offices that develop wood construction projects using BIM.

Furthermore, to offer a wider range of wood construction techniques in addition to CLT, Eiffage Construction acquired the Normandy-Greater Paris operations of the Charpentes françaises company in November 2018. The company, now named Savare, specialises in industrial and traditional frames, metal and wood Posi-Joist™ and wood-framed walls. Savare has three production plants in Freneuse (Yvelines), Lessay (Manche) and Moult (Calvados), which were fully maintained by Eiffage Construction. In fixtures and fittings, Eiffage Construction Industries at Fresnay-sur-Sarthe (Sarthe) have develop a range of low-carbon bathrooms known as Waood. The weight of carbon used on the structure was reduced by substituting concrete and metal with wood in the foundations and partition walls. Waood saves more than 200 kg of CO_2e per room, representing half of the CO_2 emissions of a prefabricated or site-built bathroom. The E-Face fund supported this development.

Increased use of bio-based materials

The Company also promotes the use of bio-based materials such as recycled cotton, wood wool, natural linoleum and hempcrete. Its founding partnership with Karibati, a cooperative with expertise in bio-based construction, was renewed in the autumn of 2017 and supports the growing needs of Eiffage Construction in sourcing these new materials.

The Company has already completed several such projects. De Graeve, the Belgian subsidiary of Eiffage Construction and a specialist in passive constructions, built the first school made of wood, compressed straw and clay plaster in Wallonia, in Binche. The building won the Low-Carbon prize for Belgium at the Green Solutions Awards organised by the Construction 21 network. In France, Eiffage Construction will build on this success by developing a range of timber products and bio-based materials capitalising on the expertise gained through the acquisition of Savare.

Reducing or replacing carbon-emitting raw materials

By choosing potentially recyclable materials, the Company proactively facilitates their reuse after the later phases of deconstruction. Clay is being used for many real estate projects in progress or being planned for the Grand Paris development programme, ensuring that the 40 million tonnes of clay waste generated by the engineering structures will be immediately reusable.

Eiffage Construction led and won a bid for the construction of the first six-storey building featuring compressed earth blocks on all of its façades. It will be built in partnership with the brickmaker Dewülf, CTMNC (*Centre technique national de Matériaux naturels de construction*, a natural building material research and training centre) and Weber, a subsidiary of the Saint-Gobain group.

As for concrete, Eiffage's teams are working to reduce the quantity of traditional concrete used at source by optimising structural design. They are also expanding the use of CEM2 and CEM3 concrete, which has a smaller carbon footprint. Precast stairs and columns featuring state-of-the-art binders – a clay-based, concrete-free cement, the carbon footprint of which is one fourth that of traditional cement – are being tested at the Gaîté Montparnasse worksite in Paris. The new decarbonised binder is supplied by Hoffmann Green Cement Technologies. Research on different types of cement and the thickness of slabs used will soon help to further reduce the carbon impact.

Eiffage is also working with Ifsttar (*Institut français des Sciences et technologies des transports, de l'aménagement et des réseaux*) on the "Fastcarb" research project to recarbonate concrete. The goal is to collect the concrete from the deconstruction of the former École Centrale site in Châtenay-Malabry (Hauts-de-Seine), crush it, and inject pressurised CO_2 into the concrete to render it non-porous and enhance its recyclability. This promising method is closely integrated with the circular economy and will ultimately enable reclaimed deconstructed concrete to be transformed into a true raw material that can store carbon. It will also ease the pressure on natural aggregate resources, since it will save an average of 650 kilos of aggregates per tonne of concrete. At the worksite of the future LaVallée eco-neighbourhood in Châtenay-Malabry, under the scientific supervision of Ifsttar, Eiffage is also testing the process to reuse 100% of the deconstructed concrete, a first in France for a project of this size.

Rollout of virtuous heat networks in synergy with Eiffage Énergie Systèmes

Eiffage Construction seeks to systematically use renewable energies in its development projects. Under the supervision of the division's Energy Transition department created in September 2017, all new urban development projects will now include an assessment of the opportunity for a virtuous heat network, with the aim to cover more than 50% of energy needs with renewable energies.

In 2018, the Energy Transition department assisted Eiffage Aménagement teams with four bids in French departments inside and outside the Greater Paris region – district heating was suggested for the entire development area. Likewise, renewable energy sources are systematically used in the three districts currently being built by Eiffage in the Hauts-de-Seine department – a biomass solution in Clamart and geothermal solutions in Asnières-sur-Seine and Châtenay-Malabry. In each case, a gas- or biogas-based backup solution is or will be installed to compensate for intermittency.

This strategy represents a paradigm shift and a significant change of scale, expanding from a building complex to an entire neighbourhood and enabling the scaled use of renewable energies for optimal efficiency. For its internal processes, the Construction division can rely on the assistance of the network of energy and technical specialists that have joined the regional departments since 2011 and the help of the Energy Systems division, for which renewable energies are a strategic priority.

Several Design-Build-Operate-Maintain (DBOM) contracts combined with high energy efficiency were also won as a result of the division's effective strategy. A six-year project has begun to renovate the 22 buildings on the La Doua campus of the University of Lyon (Rhône), with the goal to reduce heating costs by 42%.

PhosphoreCity®, a digital app for sustainable urban development

The digital app PhosphoreCity®, a custom creation by Eiffage, allows users to design a complex urban project combining quality of life with environmental performance. The app demonstrates Eiffage's integration expertise, with a total of 56 diverse solutions that reflect the specific features of the target site and the project's unique constraints. Different solutions are proposed depending on the data input: type of climate, environment such as forests, bodies of water or mountains, the presence of significant buildings such as historical monuments, location (city centre, business park or industrial zone), and so on. The solutions offer optimal results in terms of quality of life, biodiversity protection, and waste management.

Sustainable roads for the benefit of contracting authorities and users

Eiffage Route implements the sustainable development action plan it adopted for 2016-2020, following its initial plan that covered the years 2012-2015. The plan combines all available techniques to make roads sustainable, including preserving non-renewable resources, reducing overall energy consumption, optimising materials, structures and construction methods wherever possible and reducing greenhouse gas emissions.

Warm-mix asphalts

Eiffage Route, a signatory to the voluntary "green growth" charter of the French road industry association Routes de France, favours the use of warm-mix asphalts, which emit fewer greenhouse gas emissions. As part of its 2016-2020 plan, the Group plans to raise the proportion of warm-mix asphalts from 14.1% to 29% of the overall tonnage of asphalt it produces. The percentage was 16.4% in 2017.

Accordingly, to produce this warm-mix asphalt, steps were taken to speed up the installation of foam systems in 52 asphalt production facilities in 2018. The technical and industrial teams promote the use of warm-mix asphalt to Eiffage project supervisors and subsidiary directors, while also significantly contributing to its use by optimising formulae and temperatures. Meanwhile, R&I teams are continuing their work and conducting new research in this field. They already have the ability to produce warm-mix asphalts at temperatures below 100°C and the long-term goal is to produce cold-mix asphalt with the same durability and resistance as the traditional mix.

Recycled materials

The Eiffage Route sustainable development action plan also aims to continue to increase the percentage of recycled asphalt aggregates (see page 183 – Circular economy) and recycled materials used in roads.

In-situ road recycling, a promising future

Eiffage Route is also developing its own particularly effective and fast process to recycle roads in situ. This process aligns with a lifecycle approach and ensures the efficient use of materials and transport. It is a disruptive alternative that protects both the health of the teams applying the product and the environment. The cold mix is produced and applied in situ by a mobile recycler, which also helps to reduce the environmental footprint of road maintenance works.

Road recycling using hydraulic binders was increased to 260,265 m² by the end of 2018 (versus 225,218 m² at end-2017) and we are targeting a volume of 300,000 m² for 2020. Likewise, Eiffage also significantly increased the use of hydrocarboned or bio-based binders from 34,000 m² at end-2017 to 68,000 m² at end-2018, with the goal to reach 200,000 m² in 2020.

In general, we use the Seve (Environmental Alternatives Evaluation System) comparison tool to accurately monitor the number of eco-alternative projects studied: 78 projects were conducted in 2018, and Eiffage plans to increase this number to 200 in 2020.

Bio-based asphalts

As scaling back fossil energy use becomes essential, the R&I teams at Eiffage Route are seeking to use plant-based materials as a substitute for bitumen and regenerate materials using plant-based binders that do not consume oil. Such techniques are particularly environmentally friendly, as they emit lower quantities of GHG and facilitate the use of local resources, spurring the development of the circular economy.

For example, Eiffage Route, which operates its own research facilities in Ciry-Salsogne (Aisne) and Corbas (Rhône), has developed Recytal-ARM®, a process that combines a plant-based binder (Recytal) made from emulsions of pitch derived from by-products of the forestry and pulp and paper industry – which do not compete with the food industry – and a cold in-situ recycling process (ARM mobile recycler).

Recytal-ARM®, co-funded by the Group's carbon arbitrage fund, E-face, is a state-of-the-art, environmentally friendly and cost-effective technique. Trialled in the summer of 2018 on departmental roads RD670 in the Gironde region and RD26 in the Hérault region or France, the technical aspects of this circular economy solution will be monitored for three years by Cerema, a centre for research on risks, the environment, mobility and development, and the regional laboratory of Eiffage Route. In 2019, Eiffage Route plans to sell 60,000 m² of Recytal. Combined with the use of ARM mobile recycling plants, the new technique reduces the carbon footprint of road worksites by 90% by avoiding repeated lorry journeys, while reopening the road to motorists again in record time.

Recytal shrinks the carbon footprint by 90%

Recytal ARM® recycles **100%** of reclaimed asphalt surfaces, reduces greenhouse gas emissions by **70%**, consumption of natural resources by **90%**, energy consumption at worksites by **50%**, and avoids 80 return lorry journeys a day required for conventional worksites.

Another promising solution for the future is GB5 Biophalt®. It is composed of 50% of recycled bitumen and is rejuvenated with plant-based binders. This greener aggregate is more resistant than conventional asphalts, according to road surface stress testing conducted by Ifsttar in Nantes. The final results of the tests will be published in 2019. Eiffage Route also launched a research programme in partnership with the University of Nantes. The joint initiative centres on an algae-based bitumen production process known as Algoroute®.

Cable cars for low-carbon urban transport

With 80 projects completed and more than 200 underway around the world, urban cable cars are gaining ground as an everyday method of transport that complements other public transport services. Cable cars offer a clean, carbon-free way for people to travel. They do not take up much space on the ground and the stations are much more compact than tram stops, while offering a significantly higher capacity, carrying up to 12,000 passengers per hour.
Eiffage, RATP and Poma signed a partnership agreement in September 2018 to offer local authorities turnkey proposals for "aerial cable cars for urban mobility". For three years, this all-French collaboration developed through an applied R&D project (called I2TC) aiming to adapt existing cable transport systems to the specific features of dense urban environments.

04 —

Renewable energies and energy efficiency driving the energy and environmental transition

Eiffage Énergie Systèmes operates as an all-round contractor and integrator of macro-scale sustainable development, promoting smart buildings, renewable energy production, eco-design and new forms of mobility.

Eiffage Énergie Systèmes and its subsidiaries have developed extensive expertise in renewable energies, wind and solar in particular. For example, in Latin America, our subsidiary Eiffage Energía has earned a strong reputation in this area, especially photovoltaics. Teams operate as an all-round service provider, covering the design, sizing, commissioning and maintenance of infrastructure.

Furthermore, the division incorporates energy performance into each of its businesses, from design to operation and maintenance, in order to enhance the value of innovative solutions and optimise all of its customers' projects.

Smart street lighting, a tailored, energy-efficient service

Eiffage Énergie Systèmes and Eiffage Route have developed Luciole®, an innovative street lighting system designed as a tailored, energy-efficient service.

On average, street lighting accounts for more than 40% of total urban electricity expenses. Conventional systems illuminate streets all night long with unvarying intensity, regardless of the frequency of pedestrian or vehicle traffic. This is why Eiffage has developed Luciole®. This technology combines a light-coloured road surface coating developed by Eiffage Route using a carefully selected aggregate and a water-jetted surface, with a system of energy-saving LED lights and sensors to automatically detect the presence of users delivered by Eiffage Énergie Systèmes. The sensors make it possible to increase or decrease light intensity as needed for passing vehicles, cyclists or pedestrians. The light is dimmed to 90% of its intensity when not in use, but as soon as the sensors detect motion, it brightens to accompany the speed of the user, whether a pedestrian, cyclist or motorist.

With Luciole®, lighting is tailored to need. Pedestrians can walk safely and won't notice any difference compared with conventional lighting, while vehicles become part of a train of light that follows them the length of their journey. The winner of a road innovation award in 2017, Luciole® enables urban areas to save approximately 50% on their street lighting expenses, when compared with the old generation of conventional streetlamps.

Energy-efficient buildings offering occupants high quality of use

In early March 2018, Eiffage Énergie Systèmes presented its digital energy supervision system for public buildings, a first in Europe. Eiffage Énergie Systèmes is creating the supervision system for the City of Paris. The division's teams are in charge of renovating technical installations – instruments, meters, electrical boards and automated systems – certain heating centres and installing a supervision system for all installed equipment that will interface with existing in-house management tools.

In order to refine the data collected, the teams are installing smart sensors on the largest heating centres and will develop and install software to sort the data and make it available to users.

By using a specific IoT (Internet of Things) network to collect and use data and providing preventive and corrective maintenance, the system promotes an effective approach to energy management and will create new services and applications for end users.

Furthermore, Eiffage Énergie Systèmes signed an energy performance contract with the Centre region in 2010 involving the operation of the energy systems of 19 high schools over a 15-year period. The Company made a commitment to reduce energy consumption by around 35% and greenhouse gas emissions by 49% by 2025.

French leader of cogeneration in agriculture
Eiffage Énergie Systèmes is the French leader of cogeneration in agriculture, with 116 plants in France and an installed capacity of 500 MWh of electricity and 500 MWh of heat. The process recovers CO_2 to stimulate photosynthesis and produce electricity, which is sold by the farmers. The division designs, installs, operates and maintains these ISO 50001-certified combined heat and power (CHP) plants.

New forms of mobility and car-pooling

Eiffage Énergie Systèmes drives the growth of new forms of mobility, as shown by the trial around business parks starting January 2019 of Mia, the first driverless shuttle for the open road. Teams are also working to increase the number of electric charging points in urban areas and along motorways.

Eiffage Énergie Systèmes and its partners presented the autonomous shuttle Mia at the Pollutec exhibition of environmental solutions for industry, cities and regions, on 27 November 2018. The shuttle will hit the road in the first quarter of 2019. Mia will be tested for two years in the suburbs of Lyon (Rhône) for the first time on roads also being used by other vehicles.

Mia was launched with the support of Greater Lyon, Rhône and Lyon equipment and development company SERL and the Sytral (the Rhône and Lyon urban area joint transport association). The project is led by Eiffage Énergie Systèmes in partnership with the Berthelet coach company and Navya, a transport operator and vehicle manufacturer.

Eiffage Énergie Systèmes also worked on the communication between the vehicle and the surrounding infrastructure. During the trial period, new features will be tested, such as synchronising the shuttle with the tramway timetable.

When it is not in use, the electric propulsion vehicle will be stored under a solar canopy that will charge its batteries. The shuttle could become one of the few positive-energy transport systems, meaning that it may produce more energy than it consumes.

Emissions from traffic on the APRR and AREA motorway networks in 2018 were estimated at over 7.1 million tonnes of CO_2. Both companies aim to make traffic more fluid, encouraging and supporting the development of low-emission mobility, such as electric solutions and car-pooling. These efforts also have a positive impact on air quality.

Developing no-stop tolls helps to reduce traffic backups at toll plazas and therefore also reduces CO_2. To further improve the flow of traffic, three tests of free flow tolling will be conducted in 2019. The free flow of vehicles will be made possible by gantries equipped with cameras and sensors, with no barriers. These tests will be carried out on the toll plazas at Dijon Sud on the A311 motorway in Côte-d'Or, Fontaine on the A36 in the Belfort region and Vichy on the A719 in the Allier region.

At the same time, APRR and AREA will continue to invest and build partnerships in electric mobility and car-pooling. By the end of 2018, 55 motorway service areas were equipped with fast and ultrafast charging points (87 in all), corresponding to approximately one charging station every 50 km. For example, at the end of 2017, APRR and AREA had installed five Tesla Supercharger stations for superfast charging (120 kW) providing up to 300 km of range.

APRR and AREA will build

1,950

additional car-pooling spaces on **32** sites by 2021, investing a total of **€12.3 million**

The two companies and the relevant local authorities had already created 1,088 car-pooling spaces between 2014 and 2018. They will step up their efforts in this area with a motorway investment plan that was approved by the French government in early November 2018. APRR has undertaken to create 1,700 car-pooling spaces at 27 sites by 2021, investing a total of €10.6 million, while AREA will invest €1.7 million to create 250 spaces at five sites in the same timeframe.

The partnership with the dynamic car-pooling mobile app Pop&Vroom was extended, while a new partnership involving the La Grive parking area on the A43 motorway was established with the start-up ParkingMap in collaboration with the group of local authorities forming the Communauté d'agglomération Porte de l'Isère. The new service, which was inaugurated in September 2018 and funded by AREA, informs users of the number and location of available car-pooling parking spaces through the smartphone app.

In 2018, AREA also supported the Lane project for no-reservation car-pooling along the same motorway, with connected transfer points to enable drivers and passengers to meet up in real time. This dynamic car-pooling system uses a mobile app and specially designed, connected urban equipment combining touchscreens, LED signs and traveller information points. To facilitate the launch of this new commuting solution, AREA invited its electronic tolling customers to be the first to test it. The segment between Bourgoin-Jallieu (Isère) and Saint-Priest (Rhône), which opened in October 2018, is already fully operational, with an average wait of less than five minutes in the morning and a guaranteed maximum wait of 10 minutes.

Furthermore, through the 2016-2018 partnership with Tuba Lyon, a study on the behaviour of car-pool lane users was carried out in 2018. The results of the study are being used by APRR and AREA to prepare for the testing of such lanes near large metropolitan areas such as Grenoble and Lyon. As part of this research, a partnership was launched in 2018 to measure vehicle occupancy using cameras and artificial intelligence. The aim is to conduct tests in 2019 and install a counting system on the A48 motorway entering Grenoble by 2020.

AREA is also operating a public transport lane on the same section of motorway. The aim is to improve the flow of traffic into Grenoble by promoting alternative means of transport at the entrance to the city and thereby reduce the emission of pollutants and greenhouse gases.

Trialling a dynamic public transport lane

On the A48 motorway entering Grenoble, AREA operates a special shared lane. This experimental dynamic lane spanning a total of 10 kilometres is divided into two segments:
- One segment in the portion of the motorway not under concession, operated by the interdepartmental road authority for the Centre Est region, which opened in 2007.
- A second segment located just ahead of the first in the network under concession with AREA, which opened in March 2014.

The special shared lane activates during peak hours to enable pre-authorised public transport vehicles to use the hard shoulder. The pilot test has yielded highly positive results, reaching a maximum rate of 30 vehicles per hour. The Isère department carried out a study to extend the trial and increase capacity to 100 buses per hour.
Other studies have been launched to explore the effects of converting this special shared lane into a lane permanently reserved for public transport, designed following the guideline recently published by Cerema (2017). A dedicated reserved public transport lane would enable buses to provide a higher level of service in terms of flexibility, travel time and frequency.

Reducing our internal carbon footprint

Eiffage's carbon strategy is a complete, 360° programme. The Group strives to shrink its internal carbon footprint and lead by example, reducing its own emissions in two ways: by managing consumption and by optimising manufacturing processes.

In 2018, total Scope 1 and 2 greenhouse gas emissions were less than 400,000 tonnes of CO_2e for France and about 161,777 tonnes of CO_2e outside France.

The emissions indicator for the internal scope of the Group's businesses measures the Group's total energy consumption, converted into carbon emissions produced by:
- ➔ Fuel use (passenger cars & light commercial vehicles, heavy goods vehicles and worksite machinery)
- ➔ Industrial operations
- ➔ Worksite consumption
- ➔ Commercial operations

The reduction of GHG emissions in 2018 was less significant than in 2017, which reflects an uptick in operations. The considerable decrease in GHG emissions compared with the base year of 2015 (nearly 30%) has been strongly affected following the update of emissions factors. In the past few years, total GHG emissions have been relatively stable year over year, due to the industry's recovery.

— Table 6: Energy consumption
— Table 7: Greenhouse gas emissions

Optimisation of the Group' production tools

Eiffage Route strives to reduce the carbon emissions of its products and services while also actively working to diminish its own carbon emissions. The energy and environmental performance of its production facilities are continuously improved. As part of the energy management programme initiated in 2015, 70 sites are ISO 50001-certified.

The energy performance of asphalt plants is being improved, with the aim to raise it from 76.44 kWh LHV/tonne in 2017 to 78.9 kWh LHV/tonne in 2020. For the dryer portion, CO_2 emissions were reduced from 17.25 kg of CO_2 per tonne of asphalt at the end of 2016 to 16.09 kg at the end of 2017, with the target being 15.49 kg of CO_2 per tonne of asphalt in 2020. Initial results are already promising. The energy consumption reduction targets set in 2015 were raised, from -10% to -20% for asphalt plants and to -25% for binder plants in 2020, representing total annual energy savings of between 40 and 50 GWh for all plants combined.

At the end of 2018, ISO 50001 energy management certification was obtained for Eiffage's lime production operations and eight Eiffage quarries accounting for 60% of the aggregate produced by the Group (which generates a total of 18 million tonnes per year across 80 sites). Efforts to reduce energy consumption are focused on the two main sources, i.e. electricity consumed by crushing equipment and fuel consumed by quarry machinery. Many options are being explored, such as tailoring equipment to production needs, modernising operations, optimising vehicle itineraries, improving the coordination of operations to increase the load rate and using electricity to replace fossil fuels wherever possible. For 2020, the goal is now to reduce energy consumption by 5% compared with 2017 consumption.

At the same time, a "connected plant" project enabled by the Internet of Things was launched in 2018 to help plant coordinators change their behaviours. It will ultimately allow users to immediately obtain the production data of each site and optimise operations in real time. The performance of each industrial site will therefore be assessed day by day, enabling gradual and continuous optimisation of asphalt and binder production processes. Eco-driving and site energy management software was specially developed for this purpose. At the end of 2018, 15 sites were connected and eco-driving tools were set up at two operational sites.

There are already plans to include overseas plants, as the system aims to cover all Eiffage Route industrial activities. This will facilitate decision-making and a shift towards best practice in energy and the environment.

Furthermore, the "stop-and-go plant" is a new asphalt production process offering significant energy savings. It was rolled out at a site located in the village of Canals (Tarn-et-Garonne), on the outskirts of Montauban. The drying of quarry materials, the most energy-intensive part of the process, has been isolated from the other stages of asphalt production. The Canals site is now a hot-mix asphalt facility with no drying equipment. This very innovative concept reduces the site's fossil fuel consumption by 80%.

The facility, which will produce approximately 17,000 tonnes of asphalt per year, began operating in the summer of 2018. Eiffage Route ultimately plans to install asphalt plants in urban centres to bring them closer to where the material is needed, like the concrete production facility on the banks of the River Seine in Paris.

Energy performance for the Group's property assets

Developed by the Sustainable Building Plan in 2013, the Charter for the energy efficiency of public and private service-sector buildings encourages signatories to maximise the value of their assets and reduce the energy consumption of the buildings they own. Eiffage Énergie Systèmes first signed the charter in 2014 and signed an updated version in early 2018, along with major universities as well as banking and property groups. The new commitment also provides an opportunity to demonstrate the company's extensive know-how in maximising the value of buildings through engineering, design, operation and maintenance. Proof of its engagement in energy efficiency will necessarily appeal to property owners seeking to avoid the obsolescence of their assets.

Eiffage Énergie Systèmes therefore decided to obtain ISO 50001 certification for a portion of its property assets (nine of its buildings) and associated vehicle fleet. Each certified site commits to certain energy performance improvement targets and implements adequate means to reach them.

In addition, Eiffage Énergie Systèmes has intensified its energy management efforts by creating an Energy Experts network and an Energy Managers network. Initiatives such as training, shared energy consumption calculators, energy audit reports, shared monitoring, feedback and best practice sharing all complement each other and align with the Charter.

Consistent with the Group's improvement commitments and core business, Eiffage Énergie Systèmes initiated an energy efficiency programme three years ago. The division undertakes to continuously improve its energy performance, develop a network of experts across regional departments, encourage the purchase of energy-saving products and services right from the project design, raise awareness and engage employees and suppliers in our programme.

Traceability and reduction of liquid refrigerant

The Energy Systems division is striving to reduce greenhouse gases released by the activities of its HVAC subsidiaries by reducing the use of liquid refrigerants in particular, which must be recovered and properly traced in accordance with the F-gas regulation.
A certification and control body (Cemafroid) audits the entities of Eiffage Énergie Systèmes with certified capacity and also issues certificates to applicants that comply with regulations, i.e. employ trained staff and have the necessary tools in sufficient quantity to ensure the traceability of their use of refrigerant. The programme aims to reduce greenhouse gas emissions to reach 80% of 1990 levels in 2050.

Renewed initiatives

Two elements of the new Environment 2018-2025 strategy adopted by APRR and AREA focus efforts more on energy-saving behaviours and renewable energies. The aim is to control energy costs (for example, by reducing energy consumption in operating buildings) and reduce fossil fuel dependency. Another goal is to improve air quality and reduce greenhouse gas emissions (20% fewer emissions from fossil fuels by 2025).

04 —

20%

of energy consumed by APRR and AREA since October 2017 has come from renewable sources

This commitment is helping to accelerate the growth of wind, solar and hydroelectric power. New contracts signed with the managers of commercial facilities in motorway service areas encourage them to do the same.

To reduce electricity consumption and greenhouse gas emissions, APRR is expanding the installation of LED lighting. This can be seen in toll plaza signs and lighting in tunnels. For example, 80% of the lighting the Maurice-Lemaire tunnel under the Vosges mountains has been replaced with LED technology. In addition, as many as 1,000 LED panels have been installed to replace neon lighting in offices and meeting rooms.

More sustainable consumption also means saving electricity at service areas and other locations using motion detectors both outdoors and indoors. In heating, significant work was conducted in 2017-2018 to reinforce the insulation of APRR's head office buildings. The layout of technical rooms where essential computer equipment is located has also been optimised to evenly distribute heat and limit the need for cooling.

Lastly, the heavy goods vehicle fleets operated by the two companies are almost entirely equipped with semi-automatic transmissions to facilitate eco-driving and reduce GHG emissions.

The digital office – reducing the need to travel
To avoid non-essential travel, a greater number and variety of videoconferencing tools are being used. Individual videoconferencing is more widespread, especially since the launch of the digital office at the end of 2018 for all APRR and AREA employees. An in-house TV channel is also being trialled, which enables employees to attend conferences and other events from their workstation.

05 —

Developing human capital

In a favourable context of continuous growth, Eiffage's policy to develop its people has several aims:

- **Focus as much on retaining talent as recruiting it** by further structuring recruitment and onboarding processes.
- **Improve skills management and continuous career development,** in order to meet emerging needs in the market and the Group, as well as to develop new skills (in particular to prepare for the environmental and digital transitions).
- **Better manage career development** to improve fulfilment and mobility.
- **Combat all forms of discrimination** and promote the integration of low-skilled workers, who can also be a valuable source of new labour.

—Table 1: Workforce at 31/12/2018

Proactive recruitment policies and structured onboarding processes

The employment market serving each Eiffage division is highly competitive. Our recruitment needs create thousands of job openings every year for manual workers to high-level managers in France and around the world.

Our recruitment policies are designed to adapt to each division, meeting the overarching aims to:
- enhance the **appeal and reputation of the Group** by developing its employer brand;
- **structure the recruitment process,** implementing procedures and tools to better recruit, while also training employees involved in recruitment (HR, directors, etc.) how to deal with applicants effectively;
- **develop outreach programmes in schools** to multiply and diversify the Group's talent pool;
- implement **procedures to make it easier to onboard** new recruits;
- develop **work-study and integration policies** to grow the talent pool.

—Table 2: Recruitments and dismissals

Enhancing the Group's appeal and reputation by developing its employer brand

Launched in 2018, a single signature – Invent your own future with a human perspective – and the #HumanPerspective hashtag now express the Group's employer brand. Shared by the entire Group, the signature uses positive words to describe Eiffage's values and positioning so that talented young people can see how technical, social and environmental innovation drives the Group's growth. It also highlights the human dimension and entrepreneurial spirit that set Eiffage apart from the other major civil engineering companies in France.

This employer brand has been integrated by each division, giving Eiffage a clearer and more attractive image. The new employer brand has not only been well received internally, it also conveys an equally effective and innovative image outside the Company. The brand will be used internationally from 2019.

Structuring recruitment practices

The divisions have developed and documented recruitment policies in internal memos – such as the "*Trajectoires*" memo used by APRR-AREA – or in specific action plans such as the "*Horizons Juniors*" programme for young people at Eiffage Construction. Their aim is to detect and assess employees who show significant potential for career development and could one day take on a managerial position.

Recruitment policies are based on the following common objectives and principles, which are then tailored by each division to the specificities of their business:

- Recruitment policies are based on the following common objectives and principles, which are then tailored by each division to the specificities of their business:
- Recruit the required skills without discrimination
- Continue to prioritise recruitment via work-study and internship programmes
- Expand sourcing practices, in particular through social media.

In an industry combining economic recovery with a tight labour market, the divisions have introduced a raft of initiatives to strengthen their presence on social media and develop closer ties with schools, training centres and recruitment agencies.

In 2018, the Construction division designed a recruitment guide describing the key stages of a successful recruitment process. The guide reflects the approach taken by Group's employer brand. In 2019, a training session for managers, delivered by the divisions' HR department, will help them to adapt these practices to local situations.

The Construction division also formed a network of 15 recruitment specialists; each regional department now has its own recruitment officer. These officers were selected internally or through recruitment agencies to improve responsiveness, especially on social media. The division also created a career section on its website to attract talent, advertise job openings and present the Company and the opportunities it offers.

In 2018, Eiffage Énergie Systèmes (EES) also offered managers and recruiters the opportunity to follow a training course in how to use social media, especially LinkedIn, to increase their visibility and diversify their recruitment sources.

In the first quarter of 2018, EES-Clemessy introduced a charter called "The Golden Rules of Recruitment", which sets out a series of guiding principles such as a pragmatic approach, priority for internal promotion, discrimination-free recruitment, a positive attitude on the part of interviewers, speed and quality of replies, and an onboarding and mentoring programme. In addition, a specific course was created for managers needing to recruit new staff. In 2018, 50 managers followed the course.

700

vacancies in the Energy Systems division at any given time

All the divisions have taken proactive steps to attract talent and appeal to young engineers, for example through after-work social events during which team members from various divisions present their jobs and achievements as well as the career opportunities in their sector.

A rooftop event for 80 Eiffage Construction interns

Eiffage organised an evening social event to recruit students looking for an end-of-studies internship. It was held on the rooftop of the Generator hostel in Paris, which was renovated by Eiffage's Pradeau Morin subsidiary. It is now a premium youth hostel ideally situated in the heart of Paris. A total of 80 students from a variety of backgrounds were invited, 38% of whom were women, from 18 different schools (including students from ESTP, ESITC Caen and EPF). Following the event, more than half were hired as employees or end-of-studies interns.

Expanding referral recruitment

A referral recruitment system was set up in 2012 and initially only used for hard-to-recruit positions. In 2018, it was extended to all positions. If a Group employee refers a candidate who is subsequently hired and completes their trial period, they receive a €1,000 bonus.

Lasting partnerships with higher education institutions and vocational schools

In a tight labour market environment, the Group can rely on the strength of the relationships it has nurtured with a range of educational institutions. Many Eiffage employees are also involved in the scientific leadership or serve on the boards of directors of these institutions. They can therefore act as valuable facilitators to help the Group develop close ties with these schools.

The Group has raised its profile among young people by forming long-term partnerships with engineering schools, management schools and universities in France, including Ecole Polytechnique, ENSAM, CentraleSupélec, École des ponts ParisTech, ESSEC, and ESTP construction engineering school, where it has sponsored classes of graduates since 2012. Eiffage's divisions also participate in events organised by schools to promote the career opportunities they provide and offer students the chance to apply for an internship or their first job.

Improving onboarding processes to foster loyalty among new employees

In 2018, the number of new recruits increased by 26% in France. Such a significant intake makes it even more important to improve the way in which newcomers are welcomed and managed to facilitate integration and especially build loyalty. These processes have been formed to make them considerably more structured.

The aim is to ensure that line managers and teams are readily available to support new employees during the integration period.

In 2018, the Construction division comprehensively reviewed its onboarding process to ensure that all employees are given a comprehensive presentation of their job, the Group, its values and its businesses in a more effective and interactive manner. When they join, the division now provides new employees with "Onboard", an innovative and fun digital app through which they follow a project through its various stages to discover all the Construction businesses. The app helps employees quickly develop a sense of belonging to the division. It indicates many sources of information about the division and the Group, such as employee share ownership or the My University e-training platform.

Eiffage Construction develops a new digital app to better integrate new recruits

Eiffage Construction and Urban Gaming, a start-up that specialises in portable digital escape games, worked together to develop a tablet game in which players solve puzzles about the Group. The arrival of a new employee in the Company is a critical moment. They must be swiftly integrated and introduced to the Company's history and culture. Eiffage Construction's human resources teams therefore worked with Urban Gaming to create a custom onboarding game. The start-up team listened to the Company's brief and drew on their documentary resources to incorporate the Group's history, management, values, key projects, safety issues, the Eiffage Foundation, and more. The game also strengthens the Group's brand image, since it demonstrates its ability to innovate in employee onboarding.

Furthermore, a training course was specifically designed for recent graduates and covers four topics: worksite techniques, risk prevention, contract management and financial management. It aims to instil new recruits with a common culture that is shared across all entities. The course will be extended to all of the division's regions in 2019.

Divisions also regularly conduct onboarding seminars. For example, the Construction division held two seminars attended by 150 employees. Likewise, Eiffage Énergie Systèmes held two integration seminars with more than 310 attendees, in addition to all members of the division's Executive Management.

The goal of these seminars is to create a sense of belonging and a tight-knit team right from the start – two key factors to foster employee loyalty. Onboarding seminars complement digital resources by facilitating essential face-to-face dialogue and contacts.

26% more new recruits in France in 2018

CONSTRUCTION DIVISION

→ 1,023 new recruits
including 418 under the age of 26
209 blue-collar workers
367 technical, clerical and supervisory staff
447 managers

INFRASTRUCTURE DIVISION

→ 2,453 new recruits
including 886 under the age of 26
999 blue-collar workers
834 technical, clerical and supervisory staff
620 managers
1,245 young people in work-study programmes
7 training centres in the Infrastructure division for work-study apprentices

ENERGY SYSTEMS DIVISION

→ 33,189 new recruits
including 1,097 under the age of 26
1,255 blue-collar workers
1,433 technical, clerical and supervisory staff
501 managers
1,524 young people in work-study programmes

—Table 2: Recruitments and dismissals
—Table 3: Interns and work-study apprentices

Work-study programmes, a vital recruitment pool

Approximately 3,500 work-study apprentices were integrated across all divisions in 2018, into a variety of different professions.

The candidates recruited had a wide range of educational qualifications, ranging from two-year vocational certificates (CAP) to vocational secondary school diplomas (Bac Pro) to higher education diplomas (BTS) to undergraduate and master's degrees. The Group recruits work-study apprentices in technical fields as well as support functions such as purchasing or human resources. Some decide to continue their studies after completing the programme, others choose to change career paths, and others still are hired following the experience (from 30% to 60%, depending on the division).

Teams in the Infrastructure division have long understood the advantages of mentoring work-study apprentices and already count more than 1,000 mentors, mainly in operational roles. They represent all employment categories, ranging from company directors and project supervisors to site supervisors and tradespeople. These mentors help pass on the Company's know-how and expertise and successfully integrate new recruits into teams. For work-study programmes, the Company mainly partners with the following schools in Paris and other French regions: Ensam, Cnam Amiens, Cesfa in Nanterre and Polytech in Lille. International work-study opportunities also exist in Belgium, Germany, Senegal and Spain.

The volume of work-study contracts offered by the Energy Systems division, as a proportion of the total workforce, increased by one percentage point last year. It recruited 4.5% of young people through work-study programmes, corresponding to 800 jobs – an excellent way to integrate well-trained professionals.

APRR-AREA continued to offer Prodiat **work-study contracts** customised to their needs in 2018, enabling trainees to be specifically prepared for future jobs in the motorway sector. The length of the course is adapted to need and can last up to one year. Since its launch in 2012, this programme, which supports the development of a skilled workforce, has grown each year, mainly because it fills gaps left by conventional training. With these contracts, jobseekers can be immediately integrated and trained in teams of operational motorway workers.
—Table 3: Interns and work-study apprentices

Stronger management of skills, careers and continuous professional development

Training and skills management help employees with all levels of qualification to adapt to new challenges emerging in the industry, especially the environmental and digital transitions.

The aim is to anticipate changes to the workforce by proactively analysing the Company's needs, identifying both the jobs that are under threat as well as emerging job opportunities.

Another objective is to help employees manage their own careers by giving them opportunities to develop and progress. This is a priority for the Group.

Continuing professional development, the Group's commitment to its employees

The continuing professional development of employees is essential, due to the speed at which technology changes. Eiffage strives to ensure that the skills of existing employees remain in line with the Group's needs.

In addition to taking into consideration the career goals of each individuals, some divisions focus on keeping employees in work by improving their skills and adapting them to emerging needs; for example by developing the leadership abilities of Group managers or by reinforcing expertise in digital technology or energy efficiency. Jobs need to adapt in response to the structural and economic changes within their sectors as a matter of priority. To achieve this, the divisions are committed to improving their employees' skills or helping them obtain new qualifications. They also encourage geographical and job mobility, as well as the integration of young people into the workforce.

The training portfolio proposed by Eiffage University has five objectives:

- Improve the clarity and visibility of training in the Group to enable employees to actively plan their own training, development and career.
- Prioritise in-house training in order to offer courses adapted to employee needs and ensure the effective transmission of skills and experience.
- Combine training resources so that all divisions share the same methods.
- Make training a tool for internal mobility and upskilling.
- Contribute to developing new skills and training in digital tools (BIM, sustainable cities, etc.).

Eiffage University has published a catalogue of more than 500 training modules proposed within the divisions on a website open to all employees and accessible from all digital devices. Shared training platforms welcome employees, especially managers, at the Pierre-Berger campus in Vélizy-Villacoublay (Yvelines) and at the regional headquarters of Hélianthe in Lyon (Rhône). The divisions' HR departments also organise their own training initiatives, which are listed in the catalogue presented by Eiffage University.

Training for blue-collar workers – the "Master Prod" courses at the University – focuses on job-specific skills, in addition to risk prevention and occupational health issues. Some divisions, such as Eiffage Construction in the Centre Est region, offer a certification programme for young workers with no previous qualifications. Employees can draw from their State-funded individual training account for such programmes. The objective for 2019 is to replicate the modules that were tested in the Centre Est and roll them out in the other regions in France.

Generally speaking, strengthening **basic occupational skills** – known as "Master Socle" at the University – is a prerequisite for career development, and the divisions accordingly organise appropriate training. One example is learning languages to develop employees' ability to work in international settings.

Training for local managers – the "Master Chef" courses for team leaders, foremen, site and shop supervisors – is available throughout the Group. It forms the virtual backbone of Eiffage and helps the Group both gain in efficiency and reinforce its know-how. The aim is to offer training, at every level in the Group, that will promote professional practices, empowerment and worksite productivity. The overall objective is to develop leadership skills and expertise in new areas (environment, energy, digital technology) and to enhance worksite productivity.

"Master Spé" courses are designed for operational and support function managers and clerical, technical and supervisory staff. Eiffage University also offers managers "Essentials" courses designed to encourage them to develop a more top-line view and the right approach leveraging the transferrable skills required throughout the Company. They cover areas such as contract management, pricing and variations, and worksite budget management.
—Table 8: Training

Better skills management and career mobility

The Group strives to better identify the best talent and offer them career and development opportunities that meet their personal goals and the needs of the Company. This type of personalised human resources approach is essential to building employee loyalty. Likewise, the quality of management is vital to creating a work environment that is conducive to creativity and well-being. The Group's Chairman and Chief Executive Officer has made the concept of supportive leadership a core pillar of human resources policy for the next few years.

The Energy Systems and Construction divisions continued to develop innovative tools in 2018, with a common goal to enable all employees to determine their own career path with their line managers, taking into account their needs and those of the Company.

- The $(EC)^2$ tool developed by the Construction division describes jobs, corresponding skills and training offers available within the division. The use of $(EC)^2$ in 2018 revealed some essential information: 30% employees expressed a need for mobility and 20% requested a career development meeting to discuss their goals and opportunities.

Career development meetings, a new tool to open up opportunities for employeess
In 2018, the Construction division encouraged interested employees to request a meeting with HR to conduct a full review of their career achievements and plans and share their expectations in order to facilitate internal promotions. In 2018, the Construction division trialled career development meetings in the Greater Paris region and Belgium, and this process will be gradually extended throughout France in 2019. A guide to career development meetings was shared with HR managers in France and Europe to provide an operational tool for preparing the meeting and giving employees the right support.

- The Construction division is also working to create standard training paths for each profession to give employees a medium- and long-term vision of their career development. Previously, only those working in the property business had access to a "typical" 10-year career path. The division aims to develop continuing professional development paths for all Construction occupations by 2020.
- In 2017, the Energy Systems division rolled out its e-PCE digital platform in all regions. The platform makes it easier to prepare and organise individual appraisals and improves career management. With e-PCE, each employee has their own secure and confidential personal account from which they can submit requests for training or mobility. They can also access their individual appraisal report history. The data stored in the e-PCE platform provides greater visibility and facilitates management of requests (for mobility, training, etc.). As a result, skills can be assessed with a greater degree of objectivity, quality of life in the workplace can be measured and the achievement of objectives can be monitored.
- Staff reviews are implemented at the Energy Systems division at different levels for all employees (workers, technical, clerical and supervisory staff, and managers). They seek to identify and support employees who have the motivation and ability to be promoted, for example to worksite supervision and management or other management or expert functions. In 2018, the division's HR department conducted a staff review to identify high-potential managers in all regions. A position was specifically created and filled to organise the review and monitor the action plans set up for employees and to generally coordinate internal mobility.

Training to reinforce leadership ability

To strengthen the **leadership skills of managers** of projects, operations and entities and to prepare high-potential employees for promotion into management positions, specific training (known as Master Sup') is provided. Eiffage University offers experienced managers with identified potential an opportunity to hone their professional skills during two one-year courses.

In partnership with Ponts Conseil Formation (the CPD arm of the Ecole Nationale des Ponts et Chaussées engineering school) and the Essec business school, Eiffage University trains two groups of 24 students each year – one in project management (Turnkey Projects) and one in contract management (Profit Centre Management). Both Master Sup' courses focus on change management to drive performance and enabling participants to take on more responsibility.

In 2018, the Energy Systems division offered a new online coaching service to about 15 "pilot" managers, in some cases to offer support in the transition to a management position, and in others to encourage women to reinforce their leadership abilities. The service will continue in 2019.

Eiffage Construction's "Horizons" programme enables experienced, high-potential employees to receive an individual assessment and receive support over a two-year period to develop their management skills to benefit the Group and its businesses. Since it started in 2014, two classes of 20 employees each have completed Horizons, and a third began in 2018.

Eiffage Construction also disseminates its 360° Guide, a valuable tool for personal development and team leadership focusing on skill development. The 360° feedback guide can be applied to individuals or teams. Employees are assessed by themselves, supervisors, direct reports and colleagues to identify their strengths and their areas for improvement.

Tools to facilitate career mobility

Mobility is a major factor of Eiffage's growth and development. It facilitates changes to a company's organisation or skills needs and helps staff to increase their employability.

A mobility charter was developed and sets out general rules for accessing mobility, the commitments made by various stakeholders and the forms of assistance available for a geographic mobility (within France). The charter confirms the central role played by the job exchange (*Bourse de l'emploi*), through which priority is given to internal resources and all employees have access to all available mobility opportunities.

It is now easier than ever to use the job exchange. All employees receive a newsletter by email every two months informing them of vacant positions in order to encourage in-house applications, which are given priority.

Equal opportunities and anti-discrimination policy

The Eiffage Charter of Values recognises diversity and equal opportunity, irrespective of gender, age, nationality, religious beliefs, social background or health, as fundamental principles of life and community within the Group. The diversity and equal opportunities policy is based on strictly professional criteria and objective processes to guarantee genuine equality of treatment.

It has three objectives for integration, diversity and equal opportunities:

- ➔ **Continue to build awareness among managers and team members** about integration and equal opportunities.
- ➔ **Promote integration initiatives,** in particular to help people facing significant barriers to entering or returning to the workplace but who have the potential to become valuable Eiffage employees after completing an integration and training programme.
- ➔ **Combat all forms of discrimination and promote equal opportunities.**

Diversity and equal opportunities awareness and training

Changing attitudes and behaviours around diversity require better communication and enhanced employee awareness of the social issues. A number of internal communication initiatives have been developed, including charters, information leaflets, production and screening of films, personal accounts in internal magazines, and regular events organised at national or regional level in partnership with community organisations, other companies or local authorities.

Divisions implement diversity and equal opportunity agreements and action plans in response to the Group's commitments and to changing regulations. These agreements and plans are renewed and the targets are updated on a regular basis.

Diversity and equal opportunities at APRR and AREA are an integral part of their strategy. Its people are committed to bringing the Eiffage values to life. Their approach to diversity and equal opportunities, resulting from an ambitious action plan that is regularly updated, was awarded Afnor's Diversity label in 2016. This recognition requires APRR and AREA to continue their efforts to combat bias and stereotyping and prevent discrimination.

A proactive training policy is also implemented for all employees in the form of modules addressing diversity, equal opportunities and overcoming risks of discrimination. These courses seek to integrate awareness of these topics into the Company's ordinary processes such as recruitment, career development, management and labour relations in order to foster leadership that promotes an environment of mutual respect. APRR and AREA distribute booklets to all employees summarising the commitments made and flagship initiatives in this area, both internally and with customers. Their network of more than 80 Diversity Ambassadors is a source of new ideas and helps to forge local partnerships.

A communications campaign around the theme of travel and celebrating diversity encourages employees and customers alike to consider and promote diversity and equal opportunities. In 2018, a follow-up audit as part of Afnor's Diversity label demonstrated the tangible progress made in the APRR and AREA entities.

Long-term integration of people struggling to find employment

The construction industry has always been a major source of employment for low-skilled workers. The Group takes significant steps to assist people struggling to find jobs by working with partners to open up opportunities and over time help them integrate the workforce.

In a tight labour market, integration initiatives provide a valuable means to train and onboard new employees. This is especially true for the Construction and Infrastructure divisions, whose businesses are particularly suited to skills building and work integration.

Integration initiatives are rolled out directly within the divisions (for example, when social integration clauses are included in project contracts) and through the Eiffage Foundation (see page 195).

Public procurement contracts systematically include social integration clauses. However, the Infrastructure, Construction and other divisions make commitments that go beyond these requirements. They take these opportunities to provide training and qualifications to large numbers of workers, who may be hired if successful.

These integration initiatives are most often conducted in collaboration with France's national unemployment agency and local non-profit organisations, working closely with the Crepi network, a long-time partner of Eiffage. The Group offers financial and logistical assistance to the Crepi network of companies, which provides free support to promote the integration of people facing barriers to employment. Their dense geographic coverage was a key driver of the success and number of initiatives taken by divisions to help people struggling to find work to gain skills and integrate the workplace.

These people are hired through temporary work integration agencies and employed in areas such as such as form setting, traffic management, tunnel boring at Grand Paris worksites (see page 189). Training is also provided to help these workers obtain qualifications, in particular, in collaboration with Afpa organisations for adult vocational training and Eiffage's in-house training centres.

Eiffage Génie Civil promotes integration and employment on the A9 motorway

On the A9 motorway worksite, Eiffage Génie Civil aimed to provide 24,000 hours of training and work experience to promote integration. It significantly exceeded its target, with a total of 132,784 hours provided. The worksite employed 127 temporary workers (122 men and five women), mainly in basic labourer jobs but also as form setters and assistant form setters (99 people). More than 100 job-specific training sessions were offered. Eleven people were hired at the end of their temporary assignment (one unlimited contract and ten contracts with no fixed term but limited to the duration of the project).

The integration of young people from disadvantaged areas is addressed through a specific Group policy and supported by the French government through the Companies and Neighbourhoods Charter. In 2016, the Group renewed its commitment to the charter through the Eiffage Foundation, which is now looking to fund between five and seven projects to improve access to employment or training in neighbourhoods recognised by the Government as priority areas, with contributions from the regional departments of the relevant Eiffage divisions. Since November 2016, eight projects in priority areas have received funding with the involvement of the Group's regional departments and the local Crepi (network of companies supporting integration efforts) to design and oversee the projects. As part of its diversity and equal opportunities policy, APRR also signed the Companies and Neighbourhoods Charter with the Belfort region prefecture at the end of 2017. In 2018, this commitment led to the provision of training, sponsorship and mentoring.

Basic skills and making the digital transition: essential for effective employee integration

Some employees have difficulties with reading, writing, arithmetic or acquiring basic digital skills. This is an important issue for the Company. A lack of basic skills is an obstacle to social integration and career development, as well as a risk factor in jobs where understanding instructions is essential, particularly when it comes to safety. This problem also concerns foreign workers, who do not always have a good understanding of French. Specific courses are offered to employees on a voluntary basis.

The digital transition will require targeted training to ensure that all employees can access the digital tools and apps developed by divisions, especially those used for training, safety and prevention. The first step to achieving this goal involved providing all tradespeople with their own personal email address. An information campaign called "Eiffage Connexions" was launched in 2018 to encourage employees to create a personal email address to enable them to be in direct contact with their entity and the Group. On some worksites, computers are available for the tradespeople to use so they can become more familiar with these tools. Other initiatives to help them learn to use digital resources, such as the **creation of a "digital passport",** will be launched in 2019.

Measures to support gender equality

The construction and public works sectors have evolved and are increasingly open to women, including operational roles at worksites. Mechanisation and lighter materials and equipment mean that less physical strength is required to exercise these professions. However, further progress needs to be made in terms of changing mentalities and integrating female employees.

A number of actions are being carried out in what remains a predominantly male work environment to increase the number of women in operational management positions and achieve parity in training, remuneration and promotion.

The Group is also taking steps to improve work-life balance, for example by setting appropriate meeting times and offering employees the possibility of working part time. However, such measures are easier to put in place for employees in offices than those on worksites, where specific constraints need to be taken into consideration.

Agreements and action plans govern gender equality in the divisions. On 11 December 2017, EES-Clemessy Services in the Energy Systems division signed an agreement on strategic workforce and skills planning, occupational gender integration and intergenerational balance, attesting to its determination to promote gender equality by targeting a 5% increase in the number of women hired. On 27 September 2018, EES-Clemessy also signed a unanimous agreement with all trade unions in this area.

The shared aim is to bring more women into the workforce and achieve parity in terms of training and salary. At APRR and AREA, implementation of the remuneration policy has brought about parity between men and women working in similar positions with equivalent experience. APRR and AREA must boost efforts to provide equal access to training, because gender equality in this respect declined in 2016-2017 compared with 2014-2015.

—Table 9: Employment of women

Initiatives to integrate and employ people with disabilities

The divisions' action plans integrate matters relating to disability by:

- raising awareness among managers and employees to change perceptions of disability;
- recruiting people with disabilities for long-term positions, possibly on work-study programmes;
- taking on interns and creating partnerships with vocational training centres;
- supporting people with disabilities to remain in employment, especially if the disability was caused by a workplace accident;
- encouraging the career development and employability of people with disabilities;
- creating partnerships with the sheltered employment sector to support specialised organisations via the purchasing policy;
- implementing initiatives to provide continued employment for any employee who becomes disabled.

The divisions regularly conduct initiatives to communicate and raise awareness among employees, which also aim to improve their knowledge of disabilities as well as the integration of people with disabilities in the workplace. For people with certain disabilities, integrating workplaces involving highly operational roles is particularly difficult.

In 2018, the Vélizy-Villacoublay campus celebrated **Disability Week.** During the week, a whole programme of events and role-play situations were held at the Eiffage headquarters. They were all designed to show that the single word "disability" represented a wide variety of situations that are often unrelated to preconceived ideas on what disabilities are.

The Diversity plan implemented by APRR and AREA contains a number of initiatives to support people with disabilities, such as a system to **help employees who need to declare a new disability** or disabling illness in order to improve their working conditions and thereby ensure they can remain in employment. Since 2014, the number of employees with disabilities has continued to grow and reached 192 as of the end of 2018. Each company has a Disability committee, which examines all cases referred to it. These initiatives also encompass motorway users, for example by using communications systems that are adapted to the hard-of-hearing.

APRR tests an escape game with a twist: invisible disabilities

Disabilities are not always visible: this was one of the points highlighted in the awareness-building escape game organised by one APRR team in 2018. The immersive activity consisted in saving humankind by destroying a virus. Each player was given an invisible disability. The game, which was played during a diversity and equal opportunities event in Semoutiers (Haute-Marne), is truly an innovative way to communicate about disabilities in the workplace.

Furthermore, some divisions work closely with the sheltered employment sector, generally via the HR or purchasing departments, to develop their activities in the areas of outsourcing or deliveries. **Responsible purchasing** initiatives include training and awareness for buyers to encourage them to include sheltered employment organisations in their calls for tender. APRR increasingly relies on sheltered employment organisations to outsource technical or administrative tasks, maintenance of green spaces, and catering. The annual amount of purchases from this sector remains above €150,000, up from about €80,000 in 2014.

More broadly, APRR and AREA have shown that their efforts to promote the employment of people with disabilities helps them fulfil their legal obligations. APRR cut its penalties paid for non-compliance by two thirds between 2014 (€126,000) and 2018 (€43,000 euros). AREA has not incurred any penalties since 2015.

—Table 10: People with disabilities

Measures in support of older workers

The Group has implemented an active policy to maintain older workers in employment, for example, through training and, in some cases, the adaptation of workstations. The divisions have implemented age diversity action plans and agreements aimed at:

- keeping employees aged over 55 in employment;
- positioning seniors as apprentice instructors and mentors;
- supporting their continuing development and training;
- developing systems favourable to their recruitment;
- considering age and physical strain in the "arduous work" action plans to tailor positions to their capabilities and better manage later career stages.

Where employees are equally competent, age is not considered to be a discriminatory criterion in terms of employment, promotion or career development. EES-Clemessy has set itself the objective of filling 5% of vacancies with people aged 50 or over until 2019.

At the start of 2017, as part of its diversity and equal opportunities policy, AREA renewed for a further three years its agreement on the continued employment of older staff members. The objective is to keep older workers in employment and guarantee the transfer of knowledge and skills by maintaining the proportion of employees aged 55 or over at least equal to that at 31 December 2015, i.e. 19%. At the end of 2017, this percentage was more than 20%. Eiffage encourages its businesses to mix older, more experienced employees with younger employees within work teams, and older employees are given priority when opportunities to act as mentors arise.

—Table 11: Breakdown by age.

Organisation of labour relations in the Group

Eiffage seeks to maintain and develop employer-employee dialogue based on open communication and respect for its internal stakeholders. In France and the countries where the Group is located, the institutions representing employees operate in accordance with the regulations in force in that country.

European Works Council

The 2011 agreement creating a European Works Council was extended in 2015 before being renewed on 30 December 2016 for a further term of at least four years, following negotiations conducted during five meetings with a specially formed group.

It assigns additional resources to the Council and confirms and clarifies its role and responsibilities.

The full Council meets at least twice a year, and partial Council meetings are held at least four times a year. It has 22 members, who are appointed by trade unions from among their elected or designated representatives on the employee representative bodies in French and European subsidiaries.

Group Works Council

The agreement on the renewal of the Group Works Council, signed by management and trade unions in December 2013, strengthened the body's operating resources and placed particular emphasis on training new members. The Group Works Council comprises 30 members appointed by trade unions from among the elected representatives to company and local works councils in French subsidiaries. It also meets twice a year.

Employee benefits

The 2008 Group agreement implemented a health insurance system for the majority of the French subsidiaries, as well as providing long-term care coverage for retiring employees and their spouses. This cover is based on an accidental death and disability plan that supplements the existing employee protection system.

The agreement is regularly reinforced, in particular to adapt the level of cover offered to employees and integrate the new companies acquired by the Group. A committee to monitor the complementary health insurance plan, comprising management representatives and three representatives per trade union, examines the elements related to the system's management and operation with the help of an audit firm, independent of the bargaining meetings.

Another plan also applying to the majority of the French subsidiaries provides employees and their beneficiaries with substantial cover in the event of extended sick leave, disability, or death.

Reducing our environmental footprint

Eiffage's General Management has clearly set out its plan to reduce the environmental footprint of the Group's activities in widely distributed policy documents – including charters defining Eiffage's position on sustainable development in general, and more specifically, on biodiversity protection and preserving water resources and aquatic environments.

These charters, published on the Eiffage websites and printed as posters, were updated in 2017 and are systematically discussed in special training sessions.

Division chairs have also adopted action plans covering environmental issues that relate to their specific businesses.

Our decentralised organisation enables us to deal with key environmental issues by:

- spreading a culture of managing risks and environmental issues;
- reducing our carbon energy footprint by controlling our energy consumption and rolling out our low-carbon strategy based on an innovative offering (see chapter on the subject);
- pursuing a structured biodiversity conservation policy and adopting an "avoid, reduce, offset" approach;
- alleviating pressure on resources by managing our impacts, especially by reducing use and working to build a circular economy.

Spreading a culture of managing environmental risks

Experts and tools designed for operational staff

From an operational perspective, environmental matters are addressed by the Sustainable Development and Transversal Innovation department (SDTI) as well as by a network of environment coordinators and correspondents across the Group's divisions and entities. The SDTI department has expertise in every area of sustainable development and regularly contributes to the regional networks of environmental experts serving the Group's operational entities, keeping knowledge up to date, coordinating initiatives, maintaining a high level of commitment and providing regulatory and technical support during business negotiations.

In terms of governance, the SDTI:

- reports directly to the Chairman and Chief Executive Officer;
- participates in the Group Management Council, which meets four times a year;
- attends specific Group Executive Committee meetings when requested to do so by the Chairman and Chief Executive Officer, along with the Chairman and Chief Executive Officer, the division chairs, the Deputy Chief Executive Officer in charge of Concessions and the Chief Financial Officer;
- works in close collaboration with the Human Resources department on labour-related topics, the Purchasing department, the technical and innovation functions, the quality departments, internal audit, etc.

The Group's operating divisions are organised as follows:

- **Construction division:** The Quality and Performance department oversees 14 regional quality and environment managers, and around 50 quality and environmental project leaders.

- **Infrastructure division:** The Quality and Performance department coordinates six environment coordinators covering the division's business lines, about 15 regional quality and environment managers and a dense network of local correspondents, which totals around 180 employees. We brought in new people into the network in 2018 to offset internal departures, facilitate the integration of Eiffage Génie Civil Marine and support the Company's development outside Europe.

The Pandora trial was launched in the spring of 2017 and the platform was opened in 2018 (see text box) to develop employee skills and make sure all internal staff, especially new recruits, perfectly understand all applicable core policies.

The division's new quality management system was also implemented, expanded and rolled out outside France. To make sure all requirements are met and fully integrated, the Infrastructure division plans to carry out an internal audit at all of its sites in each business line – road construction, civil engineering and metallic construction – in France and around the world, mobilising a network of 70 qualified auditors over a three-year period.

Pandora, the Infrastructure division's collaborative platform

Opened in December 2018, the Pandora collaborative platform improves the proper management of environmental risks. It lets users create and monitor environmental risk and opportunity analyses in just a few clicks. As well as providing access to a basic set of managed environmental requirements brought together in a national database, the tool is built around shared information that is collectively updated to meet the division's national certification standards. The collaborative aspect also means that best practice is easily identified and disseminated, thus further extending the common database of actions and requirements.

- **Energy Systems division:** The Quality, Risk Prevention and Environment department coordinates a network of 15 regional quality and environment managers and 100 local correspondents.

- **APRR and AREA:** These two companies are supported by an Environment unit made up of about 15 employees mainly from the Infrastructure, Heritage and Environment department, who focus exclusively on environmental issues. In addition, throughout the year, district employees work to maintain green spaces, collect waste, trim trees and inspect the operation of water protection systems and the condition of fences.

Sharing knowledge to better protect the environment

ENVIRO'TOURS: A LARGE-SCALE INTERNAL AWARENESS PROGRAMME

Enviro'Tours is a nationwide tour aimed at promoting the environment and sustainable development, disseminating Group tools and strategies as broadly as possible, sharing best practice and getting employees involved in projects as early as possible, all while educating executives about environmental standards to set the Company above the rest in the eyes of customers and stakeholders.

The Enviro'Tours programme presents and deploys:

- all tools developed internally to build a differentiated offering that best incorporates environmental issues and specific regional aspects;
- guides and training courses on managing environmental risks;
- innovative solutions that can benefit both sustainable cities and infrastructure;
- best practice and initiatives from individual regions that can be applied elsewhere.

Initiated by the Group's Chairman and Chief Executive Officer in liaison with the Governance Compliance Committee, this campaign works with the regional delegations to generate a Group-wide dynamic that will benefit all divisions. During the Enviro'Tours seminars, the SDTI department will meet over 1,200 employees in 12 regions throughout mainland France over the course of 18 months.

The programme is designed for employees managing projects in the tender phase or operational phase, including profit centre managers, branch managers, chief operating officers, heads of sales, legal, design and purchasing departments, as well as quality and environment managers.

A NEW SUSTAINABLE DEVELOPMENT TRAINING PROGRAMME

A new sustainable development training programme was implemented at Eiffage University in 2018. In-house instructors lead these new training modules, called Essentials, on applying sustainable development considerations to projects and worksites across all the Group's businesses.

The Worksites and the Environment Essentials course, aimed specifically at worksite managers, reviews the basic environmental regulations and discusses the importance of risk management in the operational phase as well as effective ways of encouraging teams to take these considerations into account.

Level II of this course, entitled High Value-Added Worksites, will build on the first Worksites and the Environment Essentials module and will be implemented in 2019. It is intended for worksite managers who have already received sustainable development training and/or have customers with high environmental standards (labels, specific environmental performance requirements, etc.).

The Sustainable Development as a Differentiating Factor Essentials course was developed for analysts and sales managers who need to understand key ways of anticipating environmental risks and the drivers to establish a differentiated sustainability strategy (circular economy, low-carbon solutions, etc.), which require extensive environmental expertise.

Customised training courses were also developed and provided in 2018 for business lines that require special expertise, such as in-depth knowledge of environmental procedures. This training was organised as part of France's single environmental authorisation system and designed for the employees of Eiffage Concessions, Eiffage Aménagement and Eiffage Immobilier.

Also in 2018, the SDTI department expanded its range of customised education programmes. Three board game modules entitled The Environment Pathway, Dissemination and Developers and Their Stakeholders were created internally to help worksite managers and coordinators organise entertaining, attractive activities to effectively and intuitively enhance understanding of environmental issues, and how these issues affect their everyday duties.

Six other games were developed for the Enviro'Tours campaign. Three "eco-quizzes" were created on biodiversity, low-carbon solutions and the circular economy. Three board games were also designed on innovation, the bidding process and sustainable development charters in day-to-day work.

ENVIRONMENTAL CERTIFICATION, THE FIRST STEP IN ENVIRONMENTAL MANAGEMENT

Group divisions continue to secure and renew ISO 14001 environmental management certification for all entities, and ISO 50001 energy management certification for industrial, maintenance and building energy management activities, with the aim of developing improved environmental and energy performance standards.

The Group's strategy is underpinned by a set of fundamental commitments and dedicated resources used by the various companies.

In line with the Group's commitments to drive progress and its core business, Eiffage Énergie Systèmes set out on an energy efficiency programme three years ago by obtaining ISO 50001 certification. The certification was renewed for another three years in 2019. The aim of this programme is to develop a network of experts within its regional departments, encourage the sourcing of energy-efficient products and services, and involve its employees and service providers in the certification programme.

Eiffage Énergie Systèmes decided to obtain ISO 50001 certification for some of its property assets (nine buildings) and its associated vehicle fleet. Each certified site pledges to work towards energy performance targets and allocate adequate resources to reach these targets.

APRR and AREA earned combined ISO 14001 certification covering all aspects of their motorway operation activities in October 2017, improving the consistency of their work. The Infrastructure division is fully certified throughout France.

The Construction division's land and property development operations are covered by an integrated Quality and Environment management system that includes risk management and responsible purchasing measures. Eiffage Aménagement and the regional subsidiaries of Eiffage Construction and Eiffage Immobilier are in most cases certified ISO 9001 and ISO 14001.

The share of revenue covered by certifications is presented in the appendix for each division.

—Table 1: Certifications

New tools to support environmental management

Two new digital tools, collectively called *En Vigilance* (On Alert), were provided in the fourth quarter of 2018 and first quarter of 2019 to replace the Geode operational environmental management tool previously used. The first allows each establishment and activity to meet regulatory monitoring requirements, and the other is used to coordinate environmental analyses and action plans.

INVESTMENT AND ENVIRONMENTAL INITIATIVES

Every year, Eiffage establishments lay out a series of investments to limit the environmental footprint of their business operations. These investments focus on prevention equipment, decontamination equipment and more energy-efficient noise reduction equipment. Operational spending on preventive measures such as environmental assessments and equipment purchasing has also been approved. Investments are made and followed up via ISO 14001 procedures. More specifically, the Group has been investing in its own property and industrial facilities for several years to reduce energy costs and cut associated greenhouse gas emissions.

For example, these investments are allocated to wash water collection and treatment systems at worksites, containment solutions to reduce the risk of oil or chemical spills, emergency kits and simulation systems, etc.

—Table 2: Environmental spending

Forézienne d'Entreprises switches to biodegradable hydraulic oil

Part of the Earthworks-Demolition-Decontamination division (T2D) of Eiffage Génie Civil, Forézienne d'Entreprises specialises in earthworks, decontamination, drainage and blasting. The company decided to gradually switch to biodegradable hydraulic oil as and when it replaces its machines to control any impact of accidental spills in sensitive areas.

APRR and AREA to invest €46.5 million in water management between now and 2022

Risks of chronic pollution at APRR-AREA are mainly due to traffic and safety equipment (wear and tear of vehicles, roads and safety barriers). In areas where water is vulnerable, motorways are equipped with waterproof collection systems to channel runoff water from roads to treatment basins. As such, 2,000 basins used for settling, oil removal or infiltration protect regions near drinking water catchment areas, waterways and sensitive natural sites.

These systems are also designed to protect water resources from accidental spillage, for example a punctured tank in a damaged vehicle or leaking pollutants. Emergency teams use kits containing absorbent materials for a ruptured tank or confine the pollution before draining it using a pump truck. Spill simulations have been organised for several years. The team of operational directors has now stepped up this approach to guarantee that APRR and AREA staff can respond to any type of event and efficiently coordinate the involvement of others.

The protection of water resources and certain waterway crossings will be improved under the French government's motorway investment plan approved in early November 2018. APRR will invest €9.8 million in three programmes to be completed between now and 2021 to restore hydraulic continuity at five underpasses and waterways at three crossings and to treat runoff rainwater at nine special sites (tolls and viaducts). The plan also includes AREA's €36.7 million investment to protect water systems along eight sections (covering a total of nearly 35 km) on its network.

ENVIRONMENTAL CHALLENGES OF BUILDING PARIS METRO LINE 16 AS PART OF THE GRAND PARIS PROJECT

The Eiffage-led consortium was awarded the contract for work package 1 to build the future line 16 between Saint-Ouen and Aulnay-sous-Bois as part of the Grand Paris urban transit programme. The civil engineering work on the line is generating a considerable amount of excavated material that needs to be removed (2.6 million tonnes). That volume is commensurate with this exceptional €1.84 billion undertaking, which will span 69 months of works in all. Destined to change the face of the region, the project involves creating 19 km of tunnel, 38 km of two-way railway track, and 25 engineering structures, of which five train stations, including one of the Grand Paris project's largest, Saint-Denis Pleyel.

The teams involved are working hard to meet the environmental challenges that lie ahead. Devised by the lead consortium, the environmental protection plan meets the environmental standards of the project's contractor, Société du Grand Paris (SGP), with monthly reporting and a quarterly assessment on environmental performance. A local environmental sensitivity analysis is completed every week to identify potential negative impacts generated by the future works and define measures that will be taken to inform local residents at each site.

Providing full traceability of all excavated material removed

The teams aim to not only recycle, recover and reuse 70% of the waste generated, in line with the French law on the energy transition for green growth, but also provide full traceability of all excavated material removed – a first for any worksite. Contracts were signed with the earthworks and removal companies authorised by SGP to handle the excavated material (quarry, recycling centre, etc.). Earthworks lorries entering and leaving the worksite are weighed on a weighbridge and using the Terex software programme. The rate of disposal is measured and monitored. Up to 250,000 tonnes can be moved a day during the busiest periods. Consolidation platforms have been installed to optimise the sorting process and determine the appropriate recovery and storage channels for the waste.

The excavated material is mostly inert waste, typical materials resulting from earthworks. Whenever possible, it will then be reused as fill depending on the characteristics of the materials recovered. As a general rule, the teams are working to control the inflows and outflows to avoid any additional unnecessary congestion in an already dense urban area while ensuring timely worksite deliveries.

The removal of excavated material is rigorously managed. The same meticulous care is applied to managing water drawn on the site. Furthermore, continuous air dust monitoring will be regularly carried out to reduce local residents' exposure.

Reducing noise pollution during the construction phase

Protecting local communities from excessive noise pollution has been identified as a major priority. SGP required an ambitious noise level target for the construction phase of 28 dBA (decibels perceived by the human ear). Significant resources have gone into anti-noise barriers and acoustic protection systems as high as 3 to 4 metres. A system of tarpaulins developed by a local small business and fencing was tested for noise reduction and absorption performance in the laboratory of the *Conseil Scientifique et Technique du Bâtiment* (CSTB) and in use. Permanent monitoring measures vibrations and sound levels in real time.

To protect biodiversity, there is an ecologist in each team to ensure that environmental issues are properly taken into account before work begins. A number of hibernacula have been created with bricks, stones, branches and plants for small mammals and reptiles to seek refuge and hibernate. Invasive exotic plants have been or will be removed, buried, destroyed or disposed of to prevent them from spreading.

06 —

Stronger and broader biodiversity strategy

Tackling the erosion of biodiversity ranks among the major challenges for the 21st century. The Eiffage Group is particularly aware of the wide range of major risks affecting all forms of biodiversity, from common species to the rare. With scientific knowledge on biodiversity developing around the world and institutions being set up specifically to protect biodiversity as a world convention on biological diversity is being put together for 2020, Eiffage seeks to integrate issues involving biodiversity and fragile environments into its core businesses. These factors are not considered secondary but become inherent to carrying out its operations.

Eiffage's commitments to protect biodiversity are reflected in the following objectives:

→ Alleviate pressure on natural resources.
→ Develop expertise in civil and ecological engineering, biodiversified facilities and structures, and ecological offsetting.
→ Educate employees about these matters.

That is why the Group is keen to continuously acquire new expertise in biodiversity, for example by developing ecological offsetting and urban agriculture. It also renews its design and build methods by developing bio-sourced materials (in partnership with Karibati) and shares its experience with specialised experts and organisations.

Eiffage initiated a proactive biodiversity protection policy in 2009 through two charters, the Biodiversity Charter and the charter on water and aquatic habitats, both signed by the Chairman and Chief Executive Officer and applicable to all Group subsidiaries and employees.

The Group then defined its practical commitments with a special action plan under the French government's National Biodiversity Strategy, which was officially recognised for the first time in 2012 and again in 2015.

A new phase began in July 2018 with the participation of Benoît de Ruffray in the launch of the act4nature initiative. This pact features a programme of action through which 65 French companies have publicly made or confirmed their commitments to protecting biodiversity.

Biodiversity – a central focus of the Group's businesses

For Eiffage's **industrial operations,** biodiversity has been a key concern of quarries for many years. Spaces created by industrial operations without any vegetation are ideal places for establishing new wildlife, often rare and protected species in the quarry's immediate surroundings. Mindful of this fragility, quarry workers adapt their operating methods to protect the environments and create favourable conditions to maintain open spaces, create ponds, adapt operating schedules to the life phases of species, etc.

For example:

→ nature spots were set up at the Stinkal site in partnership with the Caps et Marais d'Opale Regional Nature Park and the Hauts-de-France regional chapter of the French National Union of Quarries Industries and Building Materials (Unicem) to restore the functions of wetlands that are home to various species of amphibians. The Industries/Quarries Environment department of the Infrastructure division works with France's Professional Union of Ecological Engineering (UPGE) to improve consideration for the species that live on these sites while ensuring the viability of operations;

→ a series of educational videos was launched in 2018 at Eiffage quarries advanced in their biodiversity conservation programme to promote the replication of best practice at other sites.

For its **contracting operations,** Eiffage strictly adheres to the "avoid, reduce, offset" approach in carrying out its projects. This principle applies to all its businesses, not only major transport infrastructure but also construction, including urban development and property.

Eiffage Energía's new bird conservation agreement
In application of a decree that sets measures to protect birds from colliding with and being electrocuted by high-voltage power lines, the Spanish subsidiary Eiffage Energía signed a new bird conservation agreement with Spain's Ministry of Agriculture, Fisheries, Food and the Environment to bring its high-voltage power lines into compliance with the new technical requirements. The agreement was signed in 2018 and will last two years once formally in effect. It may be extended for up to four years, totalling an estimated €2 million. The programme involves adapting the high-voltage overhead power lines equipped with bare conductors listed in the inventory of dangerous lines.

In **urban development,** the eco-neighbourhood built by the Group provides users with access to areas rich in biodiversity and helps incorporate nature back into cities. For example, the Smartseille eco-neighbourhood in Marseille in southern France places great emphasis on Mediterranean vegetation, featuring a canopy of local shrubs and trees that do not require much water.

In addition to obtaining eco-labels for Smartseille, Eiffage promotes and integrates urban biodiversity in its property developments. First and foremost is its registered office in Vélizy-Villacoublay in the outskirts of Paris. In May 2018, the site was granted the BiodiverCity® Construction label, the leading international certification awarded to property construction and renovation projects that meet standards for integrating biodiversity into the design phase. The label is overseen by the International Biodiversity and Property Council (IBPC), of which Eiffage is a member.

BiodiverCity® Construction label awarded to the Eiffage registered office
The many landscaping creation and groundskeeping initiatives taken since the Pierre Berger campus opened in Vélizy-Villacoublay near Paris in 2015 have transformed the site from one of poor ecological value to one with very high potential. A richly varied environment with trees, prairies, hedgerows, flowerbeds, ditches, the campus now features 147 plant and seed species, 70% of which are local varieties, and 91 large trees. In addition, 2,500 m² of green roofing was installed, along with an innovative system of plant covered geogrids for very steep slopes. The site's environmental management encourages spontaneous vegetation and eco-friendly grazing, and a communal vegetable patch has also been created.

As for **new product offerings,** Eiffage Route and Eiffage Énergie Systèmes have developed an exclusive solution, Luciole®. It combines a light coated aggregate with smart public lighting, which comes only on comes on when users pass. On top of the energy efficiency offered by its smart lighting activation system, this innovative solution significantly reduces light pollution and therefore its negative impact on biodiversity.

For Eiffage's **motorway concessions businesses,** APRR has always fully integrated biodiversity. For example, regional ecological coherence plans have begun to be implemented, with wildlife corridors being restored to respond to the expectations of the region. The motorway investment plan signed with the French government in November 2018 features significant environmental measures, including the creation of 19 large wildlife crossings.

Construction plan for 19 large wildlife crossings
The motorway investment plan approved by the French government in early November 2018 includes the construction of 19 large wildlife crossings, with 16 on the APRR network and three on the AREA network, representing a total investment of €70.4 million and €13.2 million, respectively. The crossings are planned to open in 2021 and 2022.

Furthermore, the extensive works led by APRR and AREA under the 2014-2018 management contracts and the motorway stimulus plan follow the "avoid, reduce, offset" sequence in integrating environmental issues into the design and construction phases. To implement this approach, the motorway contractor works with design firms that assist with ecological contracting and environmental project management. Measures taken to offset the project's impact are also defined and monitored with the support of this third-party expertise. On the worksite, the project manager checks that environmental measures defined by the Company are properly implemented (water filtration systems, tarpaulins and enclosures to protect amphibians, defensive systems to protect high-risk wildlife areas, etc.).

As part of the project to build the link between the A89 and A6 motorways north of Lyon, in particular the Sémanet viaduct, APRR has restored the Sémanet stream. With the expertise of the Biotope design firm, a large-scale nature restoration programme was led to bring back the stream's ecological value. Its waterways and banks rapidly became home to a wide variety of plant and animal life. This effort to facilitate natural recolonisation was reinforced by the creation of ponds in the valley nearby.

Along their 2,300 km of motorways, APRR and AREA manage natural and semi-natural assets including more than 10,000 ha of verges, embankments, central reservations and motorway rest areas. The operation policy deployed in these areas embraces an extensive approach to vegetation management that reconciles regulatory compliance and the safety of employees, local residents and customers. During motorway development projects, the ground area allocated for the work is minimised and land is temporarily occupied only if it is possible to restore it to its original state.

Hibernaculum in Fleury-en-Bière

During the summer months, Aesculapian snakes sometimes seek shelter under certain motorway equipment, which can cause toll machines to break down repeatedly. That led APRR to set up a hibernaculum near the Fleury-en-Bière toll gate (on the A6 to the east of Paris), nestled in the Fontainebleau forest. This adapted refuge keeps the species away from technical equipment while providing the reptiles with the heat they need to survive in the winter and a place to bask in the sun or stay cool in the summer. An awareness plan for the staff concerned was implemented along with the shelter.

Training, awareness and employee engagement

The following list provides an overview of the existing programmes available at the Eiffage Group:

- **Bioterre master's degree:** Created in 2009 by Eiffage in partnership with Paris 1 Panthéon-Sorbonne University, this nationally recognised two-year master's degree combines fundamental teaching and practical application in tune with the professional reality of leading projects that take biodiversity into account. In 2018, Bioterre took fifth place in the SMBG international ranking and second in environmental management and sustainable development master's courses available in France. Since the degree was introduced, some 40 Eiffage employees have taken this advanced programme, out of a total of more than 180 students.

- Biodiversity is incorporated into **the three internal sustainability training courses** set up at Group level and applicable to all divisions. The **biodiversity risk prevention and management pack** is presented in detail in these courses. Developed in 2010, this in-house tool provides employees with the right behaviours to adopt to support biodiversity on the ground, with fundamentals (legislation, stakeholders, tools, etc.), best practice (design, construction, operation) for the different groups of wildlife species.

- **MOOC on ecological engineering:** In 2017 with the Virtual University of Environment and Sustainable Development (UVED), Eiffage helped develop a MOOC on new professions relating to biodiversity. Record levels were reached with over 11,000 registered students for the first session in late 2017.

- **Employee engagement:** Internal initiatives have been put in place to raise employee awareness about biodiversity conservation through concrete, motivational activities, such as the annual photography competition (more than 10,000 photographs submitted over seven years), the Butterfly Effect website, the biodiversity ambassador network, and involvement in the Company vegetable garden or beekeepers network.

Innovative approach in core construction businesses and participation in fundamental and applied science relating to biodiversity

Eiffage partners with the call for projects launched by the Ittecop programme (for land transport infrastructure, ecosystems and landscapes), alongside the Foundation for Research on Biodiversity (FRB) and the linear infrastructure and biodiversity club, CILB. It is also involved in several biodiversity research programmes, including a project to study the relationship between infrastructure, ecological offsetting and agroecology, and a dissertation, funded by the partnership with the Sorbonne University, on temporary biodiversity in motorway areas.

As a founding member of the European Centre for Excellence in Biomimicry (Ceebios), Eiffage promotes and implements biomimetic innovations in its construction and urban development projects, such as the Nianing Church in Dakar, Senegal.

Through its partnership with France's Bird Protection League (LPO), Eiffage plans to integrate factors affecting birds into the design of new buildings.

In 2018 and 2019, Eiffage is implementing biogenic and positive biodiversity solutions in marine environments in the Port Haliguen extension project in western France. The experiment is supported by the French Agency for Biodiversity (AFB) as part of the French government's *Investissements d'Avenir* programme (Investment for the future) focused on biodiversity. Eiffage has been working on this issue since 2013 through partnerships with innovative engineering companies (SeaBoost, Créocéan, etc.), and is targeting other markets for its work in ecological engineering in a marine environment, such as offshore wind projects.

In their efforts to find alternative, high value-added techniques for maintaining green spaces, APRR and AREA continued their eco-grazing trials. Sheep and goats have naturally cleared enclosed areas and slopes that are difficult for employees to access. APRR and AREA have established local partnerships with breeders, specialised businesses and non-profits. APRR has also set out natural regeneration plots in certain wooded areas (see below).

Creation of natural regeneration zones at motorway rest areas

Areas occupied by a single species of tree, often planted the same year, are more fragile and vulnerable to disease and storms. That is why APRR has created regeneration plots in the undergrowth at rest areas along the A6 and A71 motorways. Such plots are bordered by chestnut trees and human presence is minimised to allow the young plants to grow naturally. Information boards presenting the "Letting nature flourish" programme have been posted for users.

Knowledge sharing and involvement with progress circles

To challenge its biodiversity policy and put its commitments into action, Eiffage shares the knowledge it has gained with its stakeholders and other institutions and participates in progress circles.

The Group develops its network of partners through:

- official partnerships: Humanité et Biodiversité, LPO, IBPC, Ceebios, BBOP;
- discussions on strategy and techniques: AFB, France's Natural History Museum, FRB, Institute for Sustainable Development and International Relations, UPGE;
- support measures: replacement of diseased plane trees along the Canal du Midi with France's navigation authority (VNF) in 2018, sponsorship programmes to support wildlife protection centres, such as the Athenas Centre for the Eurasian lynx and other organisations that care for tortoises, such as the Hermann's tortoise in southern France;
- participation in non-profit and inter-company focus groups: Orée (French business and environmental management platform), CILB, CDC Biodiversité and the Biodiversity Economics Mission (MEB), Medef (French employer's association), the French national federation of public works (FNTP), association of French construction companies (EGF-BTP), French Building Federation (FFB), etc.

The Group is also a member of the national steering committee for the avoid, reduce, offset sequence defined by France's Ministry for the Ecological and Inclusive Transition.

A clear international thrust is being put into motion for the years to come:

- Eiffage actively participates in the BBOP on ecological offsetting issues, Mitigation Hierarchy programme (avoid, reduce, offset sequence to mitigate environmental impacts), Net Positive Impact target, and development of biodiversity indicators (work under way at CDC Biodiversité and its Club B4B+).
- Promotion of the BiodiverCity® label outside France with the IBPC, environmental labels for buildings (HQE®, BREEAM®, LEED®, etc.) that do not factor in many biodiversity concerns.

Regular publications and participation in collective statements highlight and distinguish Eiffage's commitment. For example, in 2018, the BBOP case study was published on applying the avoid, reduce, offset principle to the project to build the Bretagne–Pays de la Loire high-speed rail line.

Wide-reaching partnership with France's Bird Protection League (LPO)

On 16 July 2018, Eiffage established a national partnership with the Bird Protection League (*Ligue pour la protection des oiseaux*, LPO), one of France's largest nature conservation organisations, with over 46,000 members who manage more than 30,000 ha of natural land. The agreement includes action to support some of the League's urban planning, built environment and biodiversity initiatives. Eiffage also became a member of the LPO's think tank focusing on these issues, the U2B Club. This programme encourages dialogue between public- and private-sector structures from the urban planning and construction industry to share experience to emulate and to develop tangible, effective solutions to promote biodiversity in an urban environment.
An annual budget has also been allocated to support four Eiffage projects with services provided by the LPO in France for a Group entity. These services include developing biodiversity commitments, providing operational support on biodiversity aspects of certain (mainly property) projects, and raising the awareness of Eiffage employees in different regions on biodiversity conservation in the urban environment.
The first project covered by the agreement is the future LaVallée eco-neighbourhood developed by Eiffage Aménagement in Châtenay-Malabry to the west of Paris. The LPO will provide technical advice on integrating biodiversity into buildings and green spaces, education and information services for building professionals involved in the project (architects, worksite managers, landscapers), and ecological monitoring of the site during the operation phase. Eiffage and the LPO aim to qualify this project for the new BiodiverCity Ready® label developed by the IBPC.

Preserving resources and contributing to the circular economy

The circular economy is a key component in innovation and the environmental transition, two pillars in Eiffage's strategy. Through measures such as materials recovery, selective demolition, shared heating systems and inert waste recycling, the circular economy concept encompasses all industries but can be developed much further. Eiffage is conscious of the need to reduce pressure on natural resources, and as such is one of the 33 major French companies and members of the French Association of Private Companies (AFEP) that engaged in a voluntary approach to work towards the circular economy.

The Group is spearheading a number of circular economy programmes.

Some highlights include the selective demolition of the former École Centrale in Châtenay-Malabry and the reconditioning of nearly 30 tonnes of material and equipment in building a 21st-century eco-neighbourhood.

The design and construction of Noé, the first multi-worksite logistics platform built in a dense urban area by Eiffage Construction and Eiffage Route in Bordeaux in western France. Located within Bordeaux city limits, Noé enables platform members to pool their needs and share a wide range of services – temporary parking, site accommodation, equipment, storage, land traceability, and excavated and fill materials management – to reduce the circulation of lorries and the congestion it causes.

As customers increasingly demand steps are taken to support the circular economy, and public authorities require it, such best practice are an advantage for the Group.

Support programmes and internal competition

Eiffage supports and implements initiatives aimed at reducing its global environmental footprint. First and foremost, employees endeavour to reduce the use of raw materials as much as possible, and use them sustainably once they are extracted. They also encourage reuse and recycling programmes internally or in partnership with local structures.

Some virtuous professional practices have been integrated into day-to-day operations, such as crushing demolition waste and reusing it as recycled gravel (controlled grain size gravel), recovering and reusing worksite equipment in cooperation with other companies within the Group or specialised external organisations, and developing professional equipment specifically designed to reuse the material on site.

Internal support programmes (e.g. the Seed'Innov innovation support fund and the consolidation of E-Face operational projects) incorporate circular economy principles as an essential way forward towards the industry's environmental transition.

To develop this policy, Eiffage organised a Best of the Circular Economy in-house competition in 2018 to survey existing innovative practices and pool them together.

More than 20 initiatives were identified in the competition, such as the RéaVie platform, which saved 30 tonnes of material and equipment from going to waste, and the Worksite flea market website, created by Eiffage's civil engineers to develop the reuse of leftover materials from completed worksites. In collaboration with Cerema, Eiffage Route teams in northern France developed concrete blocks made entirely of recycled materials and incineration ash.

At the worksite to redevelop the Sevenans junction on the A36 motorway in eastern France, which will improve traffic flow between the A36 motorway and the N1019 and D437 roads, the innovative new product Misapor®, made from 98% recycled glass and 2% mineral powder, was used as fill material. In Sevenans, 1,400 m³ of Misapor® was used on the slip road, one of the first times this solution was used on a motorway in France.

Using paper mill ash to build roads

Several Eiffage Route worksites in eastern France reuse incinerator ash from the Norske Skog paper mill operating out of Golbey as a material to build roads. As such, this waste from incinerators is given a second life while reducing the extraction of new materials. This project required extensive regulatory guidance as it had to be ascertained that the ash was not harmful to the environment. The French Regional Department of the Environment, Planning and Housing (Dréal) and the retirement insurance and health fund (Carsat) also had to grant their authorisation to establish safe handling and operating procedures for Eiffage Route employees. Any specific environmental and water use requirements are checked before each worksite is launched.

Eiffage Route's 2016-2020 action plan: new goals to champion the circular economy

Road construction operations undoubtedly blazed a trail for the Group in the circular economy. Local authorities see multi-criteria optimisation of materials, structures and working methods are crucial elements of the drive to develop lean, cost-effective and sustainable solutions that set Eiffage apart.

To reduce the environmental impact of the roads business, a recycling plan is being rolled out and monitored annually, with shared indicators for the six Eiffage Route regions (five in mainland France and one in French Guiana).

Under the previous 2012-2015 sustainable development action plan, Eiffage Route increased its reclaimed asphalt pavement (RAP) rate to 15% at its coated aggregate plants and used 24% recycled materials directly at its worksites.

This action plan was renewed for the 2016-2020 period. The Company is making steady progress in terms of the quantity of RAP incorporated into its materials; from 7.2% in 2010, the figure for Company-owned plants increased to 18.5% in 2017. The Group aims to reach a target of 20% by 2020 at its wholly-owned aggregate plants in France.

As more technical materials are being used, these 2016-2020 targets have almost been met. Aggregate supervisors and operators are working to use formulas that incorporate RAP and include more aggregates in its range of mix formulae.

This led Eiffage Route's Engineering department to launch new research programmes in 2017 to further increase the proportion of recycled materials used in bituminous wearing courses, and roll out recycling across a greater number of product formulae. Teams are also developing and deploying R&D solutions for reusing and recycling materials at worksites. They have become pioneers in developing special techniques for in-situ reprocessing of road surfaces at road construction worksites (see Low carbon, page 161). The Recytal-ARM® process, winner of the 2017 Roads and Streets Innovation Committee award, is used for the in-situ regeneration of asphalt pavement using a plant-based binder. No non-renewable fossil-based materials (bitumen) are used, and cold in-situ recycling is used for all asphalt.

Recytal-ARM® complements the Recyclean® process for contaminated road surfaces (encapsulation enabling in-situ reprocessing with wet protection of polycyclic aromatic hydrocarbons, PAHs), which won the Roads and Streets Innovation Committee award in 2015. Recyclean® can be used to regenerate these types of roads and reuse materials, therefore avoiding waste and landfill costs.

A large-scale circular economy demonstrator within the future LaVallée eco-neighbourhood

We need to test circular economy models to show that the current obstacles of insurance and regulations can be lifted to shift towards this new paradigm and the goals of France's 2015 law on the energy transition for green growth.

For example, for the LaVallée pilot project to build a 20-ha eco-neighbourhood for the 21st century in Châtenay-Malabry to the west of Paris, Eiffage, its scientific partner Ifsttar and local authorities have implemented a large-scale circular economy demonstrator. The entire circular economy chain has been deployed – including the on-site assessment of resources, reconditioning and reuse of equipment, crushing the old concrete from the former site of the École Centrale and recycling the concrete following a carbon storage process called recarbonation.

The first step is to draw up a comprehensive inventory of reusable resources before the demolition phase to salvage any materials that could potentially be reused. What used to be considered waste is treated as secondary raw materials. Buildings destined to be demolished are now seen as a wealth of resources.

During the cleaning and deconstruction phase, Eiffage Aménagement methodically disassembled the buildings to recover as many parts and materials as possible. This design for deconstruction was duly set out as requirements in the tender offer.

RéaVie, the organisation selected to coordinate the assessment and collection of materials with the demolition team, salvaged hundreds of parts, materials and pieces of equipment during the selective demolition process. Several strands of the circular economy were engaged in this project. The parts and materials were then collected on the Solid'R experimental platform for the reuse of demolition materials.

85,000 m³

of crushed concrete reintroduced
30,000 m³ of worksite soil reused

The concrete from the structures was then crushed and recycled at the worksite. The target was to reuse 98% of the concrete and materials from the demolition site. The recovered concrete will mainly be used to make roads, and, for the first time in France, the recycled concrete will be reused to build a housing complex. These efforts avoid the use of new resources while reducing carbon emissions. The results leave no doubt as to the utility of this approach. More than 30 tonnes of materials and equipment were methodically disassembled and saved from being treated as waste, 85,000 m³ of concrete will be crushed and reintroduced into mixes, and 30,000 m³ of worksite soil will be reused.

30

tonnes of materials and equipment methodically disassembled and saved from waste:
250 plaster and insulation panels, **7** sinks, **25** hot water tanks, **60** washbasins, **500** light switches, **200** circuit breakers, **12** electric switchboards, **27** air conditioning units, **100** fire exit signs, **500** lamps, **350** magnetic handles, **1,500** amphitheatre seats, **2** cold storage rooms, **15** ovens, refrigerators and stainless steel counters, **70** m² of parquet flooring, **5** projection screens, **2** handball goals

Renewed efforts in waste reduction, recovery and treatment and in resource conservation

France's law on the energy transition for green growth set a target to recover 70% of construction and civil engineering waste by 2020. Eiffage generates nearly 4 million tonnes of waste per year, of which over 90% non-hazardous inert waste. The Group, which handles both its own waste and the waste of contractors, already meets the 70% recovery rate.

In fact, it has been recovering waste in various ways for many years. In 2018, the Infrastructure division reported a recycling rate of 75.4% in France.

A map of France was designed by the Purchasing department to show licensed waste collection points where any worksite or organisation can go in application of a framework agreement.

The Group also has 130 sites where inert waste can be stored, recycled and recovered. Following the French government's Circular Economy Roadmap unveiled in April 2018, Eiffage staff are more than ever encouraged to manage waste by first taking steps to reduce it, then to reuse it in its current condition (order surpluses, unused materials, materials not covered in 10-year contractors' warranties such as carpeting, and furniture), or to recycle the waste by converting it.

Whenever possible, staff reuse worksite soil on site or at other worksites. For example, in 2018, 30,000 m³ of soil extracted by earthworks teams at the eco-neighbourhood worksite in Clamart was transferred to the worksite nearby in Châtenay-Malabry.

Eiffage Route offices all have secure storage platforms to plan the reuse of materials at other worksites. Crushed materials, by-products and waste from other industries are traditionally reused in road sub-layers. Many quarries provide a service to recover inert waste produced within the Company or by other companies. Some subsidiaries, such as Verdolini Carrières in eastern France, own their demolition waste sorting lines.

—Table 4: Waste production

Quarries are developing recovery of inert construction waste

The 80 Eiffage Route quarries increasingly offer a service to recover inert construction and civil engineering waste, carefully applying waste acceptance procedures. Materials are either recycled or, if they cannot be reused, go towards rehabilitating sites or are sent to permanent waste storage facilities. Waste recovery also optimises the rotation of lorries, as they arrive loaded with worksite waste and leave with new materials. As such, the lifecycle of these materials is effectively closed.

The Group also works to find alternative solutions for non-hazardous, non-inert waste. Teams implement more selective demolition practices, disassembling as many parts and materials as possible before building demolition to sort, reuse or recycle them, and therefore reduce the amount of waste generated. Eiffage is working with special treatment facilities to develop recycling processes for glass wool, windows, glazing and carpeting.

In its industrial operations, the Group also incorporates waste from other industries – such as steel production waste, coal ash, paper mill ash, etc. – mainly into road surfacing products.

Reuse of defective products to reduce waste

Bags and boxes of Micalfat, a crack-bridging binder used to repair roads, are often disposed of if they cannot be sold due to defects in appearance or quality. Eiffage Route Centre Est produces a special material to melt 500 kg of the products a day and reinject it into the storage vat for reconditioning. This reduces disposal to only a few bags and boxes. This solution features three key advantages: waste is eliminated internally, defective products are recycled, and old, unsold products are recovered.

Through its Energy Systems division, Eiffage also collects electrical and electronic equipment, in line with the extended supplier responsibility principle.

The Energy Systems division strengthened its partnerships with the eco-friendly organisation ESR to recycle more waste electrical and electronic equipment (WEEE). As part of ESR, Récylum collects light fixtures, professional WEEE, small fire extinguishers, climate engineering equipment, air treatment equipment and charging stations. In 2018, the organisation collected 155,631 kg of professional WEEE (14 tonnes more than in 2017) and 58,335 kg of light fixtures from Eiffage Énergie Systèmes (2 tonnes more than in 2017).

The division also carries out destocking campaigns. In the first half of 2018, Eiffage Énergie Systèmes enlisted Récylum to clear 1.8 tonnes of waste public lighting equipment at its Savigny site in eastern France.

APRR and AREA manage over 8,000 tonnes of waste a year, 60% of which is generated by customers at motorway rest areas. New waste source-sorting containers continued to be installed as rest areas were renovated. Using the same type of containers is expected to facilitate waste sorting. This programme also aims to reduce littering by motorway users. Information is posted regularly on variable message signs to raise their awareness, along with reminders of the risk of fines in the FAQ section of the user website.

With an average of 2,800 tonnes of internal waste a year, APRR and AREA have a long-standing waste policy with agreements covering the treatment channels for hazardous and non-hazardous waste. Appropriate measures are implemented to reduce the amount of waste produced by operating and maintaining the motorway network by encouraging recovery. New practices for sorting office waste will be trialled at the registered offices of the two companies in 2019.

Regional development and stakeholder relations

Eiffage actively contributes to the social and economic vitality of regions via its many worksites and projects, range of structures, strong commitment to training and professional integration, and ongoing dialogue with external partners.

As a builder, planner and developer of cities and regions, the Group seeks to set the example through its development and support choices, respect for the environment and people's surroundings, and through all-round involvement with measures to support dialogue.

Impact on regional development

Impact	Investment Infrastructure development, including in emerging economies	Heritage enhancement	Purchasing	Employment Insertion Training
Resources	Customer feedback Industrial partnerships	Partnerships Sponsorships Expertise sharing	CSR assessment Local development Support to obtain certifications Funding for innovation	Sponsorships Job creation Skill development Internal schools
Stakeholders	State Local authorities Contracting authorities	State Local authorities NGOs, the public	Suppliers Subcontractors	Local authorities Unemployment bodies Active population Young people

Impact on people

Impact	Risk for users	Work in an occupied area Noise pollution, unsightly worksites and unpleasant odours	Cleanliness	Investment Infrastructure development
Resources	User feedback, prevention and management	Integration of concerns, consultation, dialogue, openness	Consultation, dialogue, openness	Make infrastructure/service available
Stakeholders	Users	Local residents Users	Local residents	Users

07 —

Relationships with stakeholders – listening, consultation, dialogue and service quality

By nature, the Group's businesses significantly impact local populations. As such, Eiffage believes it is key to be aware and take account of stakeholder needs and expectations, control the impacts of its operations on civil society, and prevent risks arising from mutual misunderstandings.

Social acceptance of Eiffage's operations is essential to long-term development.

Consulting and communicating with the general public is standard practice in the divisions, and a crucial factor in the acceptability of projects and activities of all types: linear infrastructure, construction, renovation in occupied sites or quarry operations. They are also essential to improving service quality for customers, both developers and users.

Stakeholder consultation in land use and development

In general, all APRR and AREA motorway and infrastructure projects involve an extensive information programme across multiple media aimed at a broad audience: posters, specific construction signage, printed newsletters, dedicated websites and email addresses, etc.

As the use and development of land are fundamental in building motorways, APRR and AREA engage in consultation with all stakeholders affected by a project. This consultation takes the form of regular public hearings and one-on-one meetings to gain a better understanding of the dynamics of the local economy, agricultural activities and residential areas. A dedicated, permanent information system is put in place, with priority always given to voluntary agreements, whether for acquisitions subject to a declaration of public utility or to determine compensation.

Minimising negative impacts and developing information for local residents

The teams work closely with contractors and local authorities to inform and meet with local residents about ongoing worksites, especially in dense urban areas. Public meetings or meetings through homeowners associations are held to present projects. Information updates may be sent to local residents every month and posted at the entrance to worksites to notify people of the project's progress and any disturbance that could arise and impact their day-to-day activities.

At worksites in residential areas, for example, stakeholders greatly appreciate the direct contact that goes above and beyond poster campaigns and brochures. The Construction division provides a full-time public relations manager to respond to inquiries from residents, run meetings and coordinate communication relating to the project (website, posters, communication in the daily regional press), thus serving as a project facilitator.

The impact of noise pollution and vibrations is systematically taken into account for the immediate surroundings. The teams conduct preventive site visits and examine local regulations (especially construction times and decibel limits). Acoustics are continuously monitored to check that levels remain within authorised limits, especially during tasks generating the most intense noise, such as electric sanding. Tools such as jack hammers and saws are carefully checked, and measures are taken to raise coordinators' awareness to their impacts. Equipment is adapted whenever possible, e.g. use of electric rather than thermal drill bits.

The "15 Laborde" project: focusing on communication for sensitive worksites

The teams working on the "15 Laborde" project in the heart of the 8th arrondissement in Paris in 2017 and 2018 applied multiple technical systems to limit the negative impacts of noise and dust while giving considerable focus to dialogue with local residents and businesses.

The Haussmann-style building to be renovated and the new office complex to be built are located in a sensitive area – where seminars and ceremonies are held, with businesses and housing nearby – and the work schedule is set to last 21 months. That is why a position was created exclusively to handle relations with local residents and businesses. Meetings were held regularly, and the work schedule was adapted to the seminars and ceremonies organised. On several occasions, worksite staff integrated interruptions to the schedule or postponed the noisiest phases for a few hours. The teams were also mindful about using technical systems that would reduce disturbances: scaffolding was covered with heat-welded tarpaulins to control noise and dust; pre-cutting concrete helped reduce the impact of vibrations; and a vibration and sound control system installed by a specialist alerted works supervisors if levels came close to pre-determined thresholds. Communication was also handled carefully. Locals were informed of the schedule for noisy works phases through posters on the worksite enclosures and a dedicated website. Backlit photographs of the progress of the works were also on display, and worksite visits were organised for local residents.

Major infrastructure projects have a positive impact on regions as they develop business, create jobs and enhance appeal. But they can also lead to disturbances that require continuous dialogue and consultation with local residents.

The Grand Paris worksites in touch with local residents

Due to the scale and duration (six years) of the works, the Grand Paris project requires a special, long-term approach to communication. The impact of the work – including sanitation, noise pollution and traffic disruptions – must be carefully explained to local residents. Société du Grand Paris (SGP) is responsible for this communication, working closely with Eiffage.

To present the worksite for line 16, SGP and Eiffage (in collaboration with the 104 cultural centre in Paris) organised three weekends of events and worksite visits, which drew over 6,000 people, including 700 high school students.

The campaign was extended over a three-week period, during which it went out "on the road" and opened the Base Express for 12 days to residents and schoolchildren from the region. The initiative included a range of artistic and cultural events, such as a dance, concerts, a meal served at the worksite, urban strolls with an educational focus featuring models of the future line 16 stations on display, youth workshops and opportunities to meet the architects.

In addition to these events, SGP designated contact agents who are identifiable for local residents, who can report any disturbances to Eiffage. The contact agents from Société du Grand Paris will then take over to explain the situation if the disturbance cannot be avoided, or otherwise put in place a solution with Eiffage.

These steps have also been taken at worksites outside France. For example, during the construction of the Bandama River dam in Côte d'Ivoire, Eiffage set up public meetings with local residents at regular intervals to consult with them and inform them about the works, how long they would last and the impact in terms of noise, dust and traffic. Eiffage also created a monitoring and communication plan to make it easier to keep locals up to date on a regular basis. An on-site liaison officer was hired to maintain continuous relations between Eiffage and people affected by the project. An environmental rehabilitation plan to handle the displacement of villagers impacted by the dam (relocation of plantations and crops) will be approved in an agreement between Eiffage and the designers, after consultation with the local populations.

Monitoring relations with customers and users

To better serve its customers, Eiffage Immobilier worked with the Group's IT department to develop a virtual home tour app. Based on the plans of a real three-bedroom home, the app lets buyers view their home in virtual reality and choose the features they want. The concept is simple. Customers move through their future apartment and choose the colour of the flooring, taps, cabinet doors. The app offers a wide selection with all products listed by the Purchasing department (flooring, taps, radiators, bathroom fixtures, interior woodwork and hardware finishings). The technology used in the app is derived from the gaming industry, which gives it high scalability. Versions for studio and one-bedroom accommodation are already under development. The application was released at Eiffage Immobilier temporary office spaces in 2018.

Ensuring users are safe, informed and receive high quality services are the three goals pursued by APRR and AREA via their network of accessible and responsive employees. Special focus is given to integrating and rolling out digital tools to bring customers personalised support before and during their journey. The quality programme for motorway service areas is also continuing, for example with renovated retail facilities at service stations and new improved sheltered and outdoor spaces at rest areas to favour relaxation.

Digital apps build smoother relations with users. For example, the SOS Autoroute app means users no longer need to stop and use a roadside emergency telephone to report incidents and accidents. In the event of an emergency, all they have to do is press the call button and the app locates them and immediately connects them to assistance services. They can even send a photo of the incident. The motorway radio station app, Autoroute Info, has been downloaded 40,000 times since its launch four years ago. An updated version – redesigned with optimised ergonomics and more intuitive and efficient than ever – was released in February 2018 and lets users listen to the latest location-based traffic news.

APRR regularly conducts surveys about motorway operations to assess customer perceptions of service. However, points requiring improvement or corrective measures are mainly detected through written complaints or verbal requests received. In 2018, the number of customer service cases remained stable compared with 2017, at 35,534. Over 90% of customer complaints and requests were processed within ten days, and over 98% were handled within a month at the most. Data flows are monitored throughout the year, and any increases in volume are investigated to minimise dissatisfaction.

Eiffage Services obtained ISO 9001 certification for the quality of its customer relations
Eiffage Services and Opere, the maintenance entities of Eiffage Concessions, obtained ISO 9001:2015 certification in 2018. The standard sets out the requirements for implementing a quality management system. With this certification, Eiffage Concessions confirms its position as a leader in maintenance and the quality of its management in serving its customers.

Construction projects and services to meet the emerging needs of residents and users

The Group handles construction and urban development projects that contribute to local development while striving to more effectively combine housing supply with the creation of economic and social activities.

The Group must also anticipate changes in society, with a view to combating social isolation, reducing energy insecurity and shortening commuting times, for example. Eiffage's sales offering seeks to promote social diversity, intergenerational balance and local solidarity initiatives.

In anticipation of demographic changes and people's needs, Eiffage Immobilier and Récipro-Cité, a social engineering firm specialised in intergenerational balance, teamed up to develop Cocoon'Ages, an intergenerational family accommodation programme featuring appropriate architecture and a range of services and activities. In 2018, 30 projects were completed or under way, including two that were won that year – one in Ivry-sur-Seine on the outskirts of Paris and the other in Clermont-Ferrand in central France. In Ivry, the residence will include 69 housing units and communal areas to support social cohesion, such as a panoramic green roof terrace and a project centre on the ground floor. The residence in Clermont, providing 46 housing units, will contribute to strengthening social cohesion in the area and includes a project centre on the ground floor.

Lumi'Air, a housing project to promote cohesion and social diversity in Lille
In the south of Lille, the Lumi'Air building delivered in 2018 takes promoting social and generational diversity seriously. Over more than 9,000 m², 170 student housing units, 42 affordable housing units, 31 social housing units, of which 15 designed for seniors (equipped with special home automation features), and one apartment for the caretaker, along with a shared space for residents.

The Immo-Inno Challenge: an internal competition to invent the homes of the future
More than 300 employees took part in Immo-Inno, the first innovation challenge organised by Eiffage Immobilier and Eiffage Construction to design the homes of the future. The competition invited participants to become "builders of innovative solutions" drawing on three key themes: living together better, new services and new technologies. Origami, the winning project, designed a range of ultra-compact apartments with as many features as larger apartments. Immo Éco, a minimum-expense housing project, took second place, followed by Fablife, which also won the people's choice award. Fablife aims to support new homeowners in completing the procedures relating to their purchase, from choosing a removal company to minor work to settle in. In 2018, these three projects were translated into trials on projects in the Greater Paris region, including in Châtenay-Malabry.

Developing new forms of mobility is a strategic priority for APRR and is highly sought after by local authorities and users. One goal is to promote vehicle sharing to alleviate the impact of fuel prices. It also means developing modes of transport other than the car, especially near large cities (bus lanes, interconnected bicycle-sharing systems) to reduce urban pollution.

APRR launched a forward-looking study in 2018, in partnership with the services of the French Ministry of Transport and the local authorities affected, on trialling dedicated car-pooling lanes on its network. Drivers could benefit from guaranteed travel times while saving fuel due to smoother traffic flow. This could offer a major environmental advantage for cities with heavy traffic such as Grenoble and its 100,000 vehicles a day on the A480.

Priority on customer and user safety

The Group's activities can have both a direct and indirect impact on consumer health and safety: direct for APRR and AREA, which manage user safety on their road network, and more indirect for the other divisions in energy, construction and infrastructure.

Protecting users is therefore a core policy focus for APRR and AREA. They pursue this major goal via actions to contribute to shared risk management: road safety features, attractive activities at motorway rest areas to encourage drivers to stop more often and for longer periods; prevention of drowsiness with rest rooms or partnerships with hotels for naps; and safety events organised with the national police.

APRR has introduced innovative, enhanced safety systems to prevent users from driving in the wrong direction on its motorways. Detection systems have been trialled since 2016 and are gradually being rolled out at about 28 sites (7 for AREA and 21 for APRR). Research has shown that the risk of driving in the wrong direction is mainly concentrated at the ends of the network, near large cities. Thermal imaging cameras now detect any suspicious movement. In addition to these trials, the Group optimises alert procedures to react fast if any incidents are reported.

Eiffage Route was recognised by France's Ministry for the Ecological and Inclusive Transition in its Roads and Streets call for projects. One of the two projects selected in 2018 was Guid'N'Grip. This solution combines several technologies to improve road safety in high accident risk areas by alerting road users as they approach a potentially high-risk point (bend, junction, toll gate).

APRR and Kompaï Robotics have teamed up to develop another noteworthy solution, an autonomous advanced warning system. This project involves designing an autonomous vehicle equipped with an illuminated warning arrow at the rear to make sure that traffic lanes are closed on divided motorways. The innovation would significantly reduce the exposure of operations staff to traffic when they are working on the network.

For the other Group businesses, consumers ultimately benefit from the reliability of structures and the safety of facilities that they frequent, even if they were not the commissioning client. Eiffage is committed to enhancing safety at its own locations, worksites and the facilities it builds by using more responsible materials, implementing eco-design processes, and reducing the impact and disruption arising from its business – including industrial operations.

Contributing to regional development and cohesion

Committed to regional development in France and internationally

Eiffage is a key player in sustainable regional development via its various projects and operations, whether to expand the motorway network, build or renovate infrastructure, develop sustainable energy grids, or design the city as a dynamic network for interaction and expansion.

Both in France and around the world, the Group takes care to address environmental and social issues at the earliest possible stage when bidding for contracts.

The aim is to make a positive contribution to the operational implementation of projects that give proper consideration to the climate, biodiversity and social cohesion.

Playing a key role in restructuring the way people move around the Paris region with the Grand Paris projects

The goal of the Grand Paris Express (GPE) network is to respond to mobility issues by improving public transport to meet emerging needs and enhance the region's appeal. The project also addresses urban planning to break down the border between Paris and its suburbs, bringing solutions to matters of deindustrialisation, suburban unrest, the environment and energy.

Eiffage is making a major contribution to developing the future public transport network outside Paris with the construction of all or part of lines 14, 15 and 16, equalling a total investment of €2.4 billion. The project will have a considerable social and economic impact on the regions around the French capital.

Line 16 – work package 1, dubbed the Olympic Games line, running from Saint-Ouen to Aulnay-sous-Bois, is one of the largest contracts in the project. The €1.8 billion deal awarded to Eiffage includes building 20 km of tunnel and five new stations. The project management team operates out of offices in Tour Pleyel, positioned in the heart of the region.

Eiffage works directly with the two regional government agencies (Plaine Commune and Paris Terres d'Envol) to optimise the local impact of the project. A Business and District Charter was signed to boost the local economy in these primarily poorer regions. Eiffage assigned 900 employees to GPE projects in 2018 and will employ up to 1,500 people during the most intense period of the works.

Monitoring the socio-economic benefits of the BPL high-speed rail line

Within the framework of its partnership with SNCF Réseau for the construction of the BPL high-speed rail line, ERE (Eiffage Rail Express) set up an observatory involving the French government and the high-speed link's other financial backers, representatives of corridor regions, economic stakeholders, urban planning agencies and associations, for a ten-year period (2012-2022).

In addition to mandatory regulatory monitoring, this observatory aims to analyse the issues and opportunities associated with the arrival of the rail link, including in terms of regional development, job opportunities and the local economy. Two studies were conducted in 2018 on the economic impact of four new train stations (Brest, Quimper, Lorient and Saint-Malo), on top of the four stations built to accommodate the high-speed rail line. A comparative study will be carried out between 2020 and 2021 to estimate the differences in economic activity generated by the new line in these regions. Another study completed in 2018 focuses on the impact on tourism. It found that the quality of hotels in the regions served by the rail line had improved considerably.

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Fostering access to fast, safe transport networks to promote sustainable mobility

The construction and development of roads must meet mobility and safety needs while taking into account environmental issues. We are also working to shift towards more sustainable modes of transport: dedicated lanes for bus rapid transit systems, waterway transport, new regional transport networks that allow for alternative mobility solutions between motorway routes and city centres.

Major projects under the motorway stimulus plan were completed in 2018.
– The road connecting the A89 and A6 north of Lyon in eastern France was opened by APRR in March 2018. This section of motorway completes the Trans-European motorway corridor between Bordeaux and Geneva.
– The design and construction in widening the A9 motorway to three lanes of traffic in both directions along the section between Le Boulou and the Spanish border on the Vinci Autoroutes network. This multi-business project was led in challenging conditions due to dense traffic (up to 100,000 vehicles a day) by 400 employees bringing together expertise from Eiffage Génie Civil, Forézienne d'Entreprises and AER for road equipment.
– In late 2018, APRR opened the redeveloped junction connecting the N19 to the A36 in eastern France. This segment will improve traffic flow across a large region surrounding the Sevenans business district, making movement continuous in any direction. These conditions will also enhance safety and improve traffic for the entire Belfort-Montbéliard-Héricourt-Delle urban area. The new infrastructure facilitates access to the Belfort-Montbéliard high-speed rail station and the Nord Franche-Comté hospital while reducing travel time to neighbouring regions in Haute-Saône and Switzerland.

APRR modernises road signs featuring cultural and tourist points of interest to combat drowsiness and develop regional tourism

Road signs indicating cultural and tourist points of interest, characterised by their brown colour, have featured prominently along France's motorways since the 1970s. With almost 700 of them on the APRR network, they have established a universal language that is immediately understandable for all drivers. These signs aim to combat drowsiness while informing drivers about geographical landmarks throughout their journey. They all indicate points of interest less than 30 km away, highlighting the local heritage in the regions along the motorway and encouraging drivers to stop and visit the sites. The project to revamp these signs, launched in 2016, was stepped up in 2018 along the A6, A31 and A39 following a large-scale consultation led locally with regional stakeholders. The programme aims to significantly improve the quality of the road signs. Along each route, an artist was selected to create an original local identity expressive of the region. Rather than upgrading isolated signs, APRR is taking a holistic approach so that departments can centralise requests from tourism organisations and more effectively promote the region. Nearly 400 themes are currently on the waiting list in the 24 departments served by APRR motorways.

The Group also aims to contribute to sustainable urban mobility by improving the compatibility of motorways with more eco-friendly methods of transport. For example, APRR and the authorities of the Puy-de-Dôme department in central France signed a draft agreement in 2018 on urban mobility as part of the project to widen the A75 to three lanes of traffic in both directions. The project anticipated inhabitants' mobility needs by leaving space in overpasses and the widened road to eventually accommodate lanes reserved for bus rapid transit systems, additional bike lanes and more user-friendly pathways for pedestrians and bikes.

In waterway transport, a subsidiary of Eiffage Benelux will completely redesign the Ampsin-Neuville lock on the Meuse river between Liège and Namur. This exceptional project aims to eliminate the bottlenecks that slow waterway traffic, which is flourishing between Belgium's Wallonia region and ports on the North Sea. Launched in 2018, the worksite is scheduled for completion in 2023 and includes the construction of additional structures, such as fishways and crossings for cyclists.

Construction and urban planning projects contribute to creating or revitalising neighbourhoods

New construction projects must give careful consideration to protecting the local heritage while accounting for energy and environmental issues. They should also aim to foster sustainability (in terms of new forms of mobility and accessibility, diversified economic activities and housing, and the creation of new services). The exemplary projects developed by Eiffage in 2018 are all guided by this triple focus.

Eiffage Immobilier and Eiffage Construction are taking part in creating eco-neighbourhoods in several cities across France, such as the 53-ha Brazza development in Bordeaux and Smartseille in Marseille, on the forefront of Eiffage's innovation for sustainable development. In the Paris region, two headline projects modelled on the Marseille programme are being developed: the eco-neighbourhood in Châtenay-Malabry on the former site of the École Centrale engineering school and the Grand Canal district in Clamart.

The Grand Canal district, an unused former business site, will be developed into a 5-ha multi-use complex between now and 2023, representing an investment of €80 million. This project is being carried out in partnership with the local authorities based on a land development and planning strategy. The new urban complex, built on a former industrial and commercial site, will combine housing, shops, and public and private facilities.

Grand Canal will feature 1,250 housing units, of which 25% social housing, a 130-room student residence, a senior residence facility, a 100-room hotel, a school, 4,500 m² of retail space and 22,000 m² of public space. Eiffage Aménagement's involvement in this urban transformation project comes under an urban partnership project agreement to finance part of the school.

Eiffage contributes to the development of France's wood industry

Eiffage is involved in a growing number of projects involving wooden structures, with over 30 renovation or property construction programmes in progress or completed in France. The Hypérion tower block in Bordeaux, set for delivery in 2019, uses mostly PEFC wood from the region. This showcase project is helping the local wood industry to expand in the construction sector.

In Strasbourg, Eiffage Construction is working with Bouygues Immobilier on the Strasbourg Sensations project. This flagship project to construct a wooden complex with 146 housing units across five buildings, which will all feature central structures, floors and façades made from wood.

Quarry management creates direct and indirect employment in France

Drawing on a quintessentially local resource, quarry operation plays an important role in the regional economy, with a profound and lasting impact on the areas where they are located. They are eminently linked to the land, creating jobs at the site and at the many partner companies that cannot be delocalised. One job in a quarry generates four or five indirect jobs for suppliers, transporters and maintenance service providers. A solid rock quarry producing 500 kilotonnes a year can employ up to 30 people directly and involve 120 local jobs. The Stinkal quarry operator based in Ferques in northern France estimates that the site has nearly 60 local suppliers. Eiffage coordinates a network of 79 quarries in mainland France and 13 wholesale materials business sites.

International projects – Eiffage supports local economic development and upskilling

The Group is involved in building new infrastructure outside France, especially in Africa. These structures facilitate mobility, access to energy and local development, with positive impacts for local communities and economic development.

Eiffage always strives to propose sustainable solutions for each one of these projects. Most of the staff at its worksites come from the surrounding area, contributing to the local job market.

Several major projects were initiated in 2018:

- → Rehabilitation of the Félix-Houphouët-Boigny Bridge in Côte d'Ivoire. This road and rail bridge spanning the Ébrié Lagoon is an emblematic structure in Abidjan, the country's capital, with 150,000 journeys over it a day as it connects densely populated neighbourhoods to the business district.
- → Launch of rehabilitation works on the Moroni-Fumbuni Road in Comoros. This large-scale project involves 40 km of roads to be upgraded by the Infrastructure division to improve the flow of traffic and safety between the capital and the rest of the country.
- → Construction of the first desalination plant in Djibouti, by Eiffage Génie Civil. This drinking water project includes a desalination plant with a daily capacity of 22,500 m³, which can be increased to 45,000 m³ per day, a 5,000 m³ storage tank and connection to Djibouti's drinking water network. Renewable energy will supply the power needed to operate the plant.

Eiffage Énergie Systèmes and its subsidiary RMT-Clemessy play a vital role in creating energy infrastructure, primarily in West Africa. Their goals are to produce renewable energy to satisfy the long-term needs of inhabitants and the economy by building safe, and efficient transport and energy infrastructure.

Several major projects were initiated in Africa:

- → Senegal's national electricity company, Senelec, called on Eiffage Énergie Systèmes to extend a 225-kV electric loop between Fatick and Kaolack, two cities in western Senegal located about 50 km apart, and stabilise energy supply for local communities and businesses.
- → Delivery of two solar power plants in Senegal and Mauritania (50 MW each) and launch of the Taiba wind farm near Dakar (50 turbines). On this project, Eiffage covered all the earthworks and the connection to the power grid. The local population is involved in the maintenance work on the solar panels, essential in operating solar power plants, securing long-term jobs for the next 20 years.

Singrobo-Ahouaty hydroelectric power plant in Côte d'Ivoire, a springboard for the region's social and economic development

The project to build the Singrobo-Ahouaty hydroelectric plant, drawing on the expertise of Eiffage Génie Civil and Eiffage Énergie Systèmes, is part of the government's national electrification programme to build seven dams in the country's three main regions over the next few years. The project includes a rural electrification programme to supply power to 11 rural villages. The worksite itself will create nearly 1,000 direct and indirect jobs. To benefit local populations, Eiffage engaged in consultation with village leaders to involve them in the recruitment process. In the longer term, the infrastructure built around the dam will also open up the region to facilitate trade and the transport of people. At the end of the construction project, Eiffage will also install a wastewater treatment system and build a "Work Centre" with a capacity of 300 people. Beds, medicine and medical care equipment will be donated to build a local hospital.

Boosting local society with action for employment and integration

The projects executed by Group companies are significant local job creators, both in France and around the world. The construction and concessions sector has always been a powerful integrator, as it offers scope for employment and self-fulfilment to people with highly diverse profiles, particularly low-skilled workers, who find genuine job opportunities.

Beyond complying with the labour clauses included in some contracts, Eiffage's internal policies encourage active collaboration by the divisions with local integration partners. This approach is common for major projects.

The employment and integration elements are powerful drivers in the **Grand Paris Express projects.** More than 1,500 people will be employed by Eiffage when the worksites reach their height of activity. Part of the works are carried out by staff on integration programmes with temporary employment agencies to help them on their way to finding long-term jobs.

The Infrastructure division signed the Companies and Neighbourhoods Charter, which requires 20% of the value of the contract to be awarded to local small businesses. To achieve that ambitious goal, the division created a "resources file" of all the region's businesses capable of providing services such as cleaning, catering, upkeep and maintenance. The Charter also stipulates that 10% of the value of the contract must be handled by people on integration programmes, i.e. 500,000 hours of work under such programmes. Eiffage works to achieve that target by collaborating with Pôle Emploi, France's national unemployment agency, local employment offices and temporary employment agencies.

Staffing needs are so high at Eiffage that it offers recognised training for people on integration programmes who have demonstrated their potential and motivation, enabling them to obtain diplomas. Such training is made available to people in jobs like formworkers, technicians and tunnel builders, and could lead to employment by the Group. Special measures have been taken on line 16 of the GPE project aimed at local high school students to present the professions and appeal to women through worksite visits, collective information programmes in cities served by the line and participation in dedicated trade shows. The idea is to show them they can find a career in the industry. In this region, where unemployment among young people can be as high as 40%, these new job opportunities are essential in building social cohesion.

Eiffage Génie Civil offers support for refugees

In 2018, France's Ministry of Labour, the public works federation (FNTP), the national organisation for adult vocational training (AFPA), and the national unemployment agency Pôle Emploi signed a framework agreement on the social and professional integration of refugees in public works in the Paris region. An initial group of 22 refugees, including four brought in by Eiffage Génie Civil, were integrated into France's nationwide Hope (*Hébergement, orientation, parcours vers l'emploi*) programme to support them in finding accommodation and a job. Under this programme, they can also earn certification as formworkers. The refugees took French lessons before beginning a programme including a phase to prepare them for employment, followed by a work-study programme lasting 450 hours. They were assigned to the worksites for lines 14 and 15, the Quai d'Ivry junction and a drinking water project for Paris city water services.

Firmly rooted in the local economic landscape, the 16 Crepi clubs (regional clubs of partner companies supporting integration) provide pragmatic solutions for jobseekers. Eiffage's regional departments are active members of these clubs. They are locally recognised "gateway organisations" that put people struggling to find work in contact with local businesses and the public employment service. Tightly interconnected with the local social and economic landscape – proof of their utility – these clubs enable Eiffage to contribute to integration even more effectively, often stretching far beyond contractual requirements in terms of both quantity (number of hours of work under the integration programme) and quality (long-term integration and certification solution).

Developing engagement in regions through community projects with our stakeholders

The Group forges and maintains close relationships with local governments and non-profit organisations by supporting community projects to deepen the ties of its businesses with regions.

Either locally or within a broader base, Eiffage's divisions and entities establish partnerships with public interest organisations in France and around the world to support local initiatives and guide the Group's action in employment and community involvement, such as developing professional integration and sense of community.

- For instance, in line with its very active internal policy to support people with disabilities, APRR supported the Besançon Triathlon club, which organises the Vauban Triathlon and fitness and sporting events for people with physical, visual and hearing disabilities. For the second consecutive year, volunteers from APRR worked on the event and contributed to the project's success.

- In 2018, the Infrastructure division worked with the NGO from the CentraleSupélec electrical engineering school on a construction project in Antsirabe, the third-largest city in Madagascar. This project was launched to build the Nicolas Barré institution, which enables children to attend school. The Eiffage Foundation also supported this project by supplying the building materials for the ground floor free of charge. Additionally, the Eiffage Foundation contributed to building the Kamoro suspension bridge and Manajeba Bridge. These projects gave farmers training opportunities to get a job or expand their professional expertise.

- Eiffage Construction's subsidiary in Poland supports orphanages in Kraków and Warsaw by providing free building renovation services, organising Christmas gift drives and supplying Wi-Fi connectivity equipment to use internet in classrooms. The subsidiary also plays a very active role in the nationwide Great collection of books programme, an initiative to collect and donate books to libraries and hospitals throughout the country.

Eiffage Construction engages in a long-term partnership with the Abbé Pierre Foundation to assist providers of emergency accommodation in France

Eiffage Construction has nurtured its partnership with the Abbé Pierre Foundation since 2005. In 2010, their collaboration was given new impetus to better address the needs of emergency accommodation providers. Another aim is to involve Eiffage employees more closely in a project that goes beyond purely financial support. Every year, the Abbé Pierre Foundation identifies one or more locations in need of major renovation work. Eiffage Construction carries out the necessary construction and/or refurbishment works at its expense. Once selected, Eiffage Construction's local subsidiaries work with providers of emergency accommodation to define the work. In 2018, Eiffage Construction renovated the Paul Laize family accommodation centre run by the non-profit organisation Acel (Association des Amis de la Cité Emmaüs Laval) in Laval, in western France.

- Since 2012, Eiffage Sénégal is a signatory to the CSR Charter of Senegalese companies. In 2017, Eiffage Sénégal's CSR policy was assessed by Afnor, with contributions by the various stakeholders identified by the company. The outcome of the assessment confirmed the maturity of Eiffage Sénégal's CSR commitment. Eiffage Sénégal has been assisting employees and local populations for many years particular by providing logistics support to NGOs. In 2018, the subsidiary granted its support, with the involvement of Eiffage Énergie Systèmes Transport et Distribution Sénégal, to the programme to rehabilitate the Senegalese Decorative Arts Factory. Action was taken in healthcare with a donation of 6 million FCFA to the paediatric surgery unit at Aristide Le Dantec Hospital in Dakar.

- The construction of the Autoroute de l'Avenir motorway between Dakar and Blaise-Diagne International Airport boosted local economic growth throughout the project. However, the project runs through very poor regions and forced inhabitants of some villages to relocate. Some areas along the motorway were abandoned. To make effective use of this space, Eiffage developed an area for organic fruit and vegetable farming. The site is located near a motorway junction and covers 1,700 m^2 divided into 28 parcels of 500 m^2 of land for crops. A cooperative was set up to support the network of women involved in the programme to grow organic fruit and vegetables. An agreement was signed with a Dakar food market located in a poor area of the capital to sell these products. A revolving credit system was set up to develop the project with other parcels and other women.

Since its creation in 2008, the **Eiffage Foundation** has provided financial support for projects that foster employment integration for disadvantaged people by supporting projects in training, direct employment and access to housing. When the Foundation's five-year period was renewed for the third time in 2018, focus shifted to promoting preventive projects (e.g. to train young people without any vocational qualifications), while continuing to support curative projects, such as those involving integration.

It has backed over 220 projects since 2008. The Foundation selects community projects proposed by Group employees or former employees in which they work as volunteers, thus encouraging and recognising good citizenship. At the same time, the Eiffage Foundation supports ambitious multi-year projects with leading charities. Combating unemployment, supporting training and facilitating employment integration requires long-term commitments.

For example, since 2015, employees have been able to volunteer (outside of their working hours) to "mentor" promising students from disadvantaged backgrounds through the Article 1 association all over France. The very essence of the Foundation resides in the engagement from Eiffage employees. For example, in 2018, 110 sponsors volunteered as mentors for young people from disadvantaged backgrounds, and 43 employees registered to volunteer in workshops for high school and university students to help them gain insight into the world of work and take action to support equal opportunities.

The Eiffage Foundation also works on more expansive projects by helping non-profit organisations and networks such as Solidarités Nouvelles face au Chômage (unemployment), Solidarauto (car purchase, sale and repair community network), Jardins de Cocagne (organic farms), Territoires zéro chômeur de longue durée (addressing long-term unemployment) and the Fondation du BTP (construction industry foundation).

The Foundation repeated its fundraising campaign to raise money from employees and their relations on the crowdfunding platform Ulule in 2018. The Eiffage Foundation matched every euro donated for up to €3,000 per project. A total of 1,970 employees showed their support throughout the process by voting to select one of the 11 projects presented via Eiffage's online suggestion box, the Start.box. The winner was Du Ciel Bleu pour Matthieu, a Lille-based organisation that will use the €7,000 donation to create a classroom for children receiving care at the Oscar Lambret Centre, a leading children's cancer treatment facility in northern France.

Another multi-year project signed in December 2018 with Positive Planet to help set up micro-enterprises in suburbs

Positive Planet is an organisation that fights poverty and exclusion in priority areas targeted in local authority policies by encouraging inhabitants to set up their own business. The Eiffage Foundation has already supported four projects with Positive Planet France. To pay that success forward, it is strengthening its support in a partnership between 2019 and 2021 to expand the organisation's scope of action in France by opening new branches or renovating existing ones to boost their capacity for action.

***Territoires zéro chômeur de longue durée*: a successful trial promoting integration and the energy transition in eastern France, supported by the Eiffage Foundation**

The zero long-term unemployment programme is being trialled in 50 areas throughout France. Since 2016, the Eiffage Foundation has supported La Fabrique, a government-subsidised company set up as part of the programme to develop job creation in communities in the Pays de Colombey department in eastern France. La Fabrique answered a call for projects initiated by CLER, the network for the energy transition, to integrate the Slime programme (the French acronym for *services locaux d'intervention pour la maîtrise de l'énergie* meaning local energy management intervention services). The goal is to bring an additional tool that the region can use to fight energy poverty. Two employees at La Fabrique, formerly long-term unemployed individuals, took an eight-day training course in Grenoble to learn the basics of socio-technical assessments. They will use this training to go into homes to offer advice and conduct energy assessments. The Eiffage Foundation has extended its support for La Fabrique until 2020.

APPR also supports a variety of events and organisations at locations served by its network, strengthening its roots in the territories in which it is present. For example, APRR renewed its sponsorship programme in 2018 to support the National Centre for Stage Costumes in Moulins in central France. Accessible via the A71 motorway, this institution received a contribution towards the cost of organising its annual exhibition.

APRR also sponsored the SPA, France's animal protection and rescue association, by launching a vast awareness campaign in the summer of 2018 against abandoning pets on motorways featuring the hashtag #APRRcontrelabandon. The APRR group pledged to donate €1 to the SPA every time the organisation's video was shared on social media, including Facebook and Twitter. After 40,000 shares, enough money was raised to finance 85,000 meals for animals awaiting adoption.

Eiffage Immobilier and the Pavillon de l'Arsenal continued their partnership initiated in 2016, funding exhibition and publishing projects on sustainable construction and urban planning. A unique institution celebrating construction and architecture, the Pavillon de l'Arsenal contributes to outreach and public dissemination of knowledge of urban planning and architectural heritage in Paris and the surrounding region. Its information centre is devoted to recent history and current affairs in urban planning and architecture in and around Paris.

Eiffage Construction strengthens its commitment to support top athletes and guide them in their professional integration

The French Performance Pact, launched in December 2014, is based on a mutual commitment made by the French government, signatory companies and the sports movement to serve a single project – supporting top athletes by providing them with training, assisting their integration and helping them find a new career path. By strengthening its commitment, Eiffage Construction shows its drive to develop French sport around the world. Two new employment contracts were signed with two athletes in 2018, adding to the nine athletes who have already joined the Group.

As part of carrying out its major projects in the Paris region, the Infrastructure division sponsored cultural events in Paris, for example the Kupka exhibition at the Grand Palais.

In Senegal in 2018, the Maison Ousmane Sow opened its doors to the public in Dakar as a museum to honour the Senegalese sculptor who died in 2016. Following on from that and as part of the 13th Dakar Biennale of African Contemporary Art, Eiffage Sénégal financed the transport and display design of the artist's works in the exhibition "In the world of Ousmane Sow", featured in its offices.

Under the agreement signed in 2015 with the French Ministry for Communication and Culture, Eiffage Immobilier pledged to host a piece of art in each newly completed property. When it delivered the Poseô residence in Carros, near Nice, the division selected the sculpture *Fenêtre ouverte sur Jardin* by Pascale Dieleman to decorate the garden. As such, art is brought into the everyday lives of people living there.

Developing partnerships with innovation leaders and research centres

Developing partnerships with innovative companies and research centres enables the Group to benefit from the technical and digital progress that is transforming professions to bring new products and services while actively contributing to rolling out innovations.

In line with its responsible purchasing policy, the Group is committed to taking the local and regional workforce into account, in particular by including SMEs in its sourcing activities. Eiffage also maintains close ties with start-ups to apply innovations to its products, services and businesses.

The Sustainable Development and Transversal Innovation department strives to drive innovation and integrate it into divisions while drawing on and expanding the outside ecosystem, mainly by developing open innovation with suppliers, customers, key account partners and start-ups. It works closely with key business incubators such as Paris&Co and Impulse Partners, which support such innovative start-ups.

These partnerships cover a diverse range of issues that most often have cross-business applications. Considerable potential exists for interfaceable, reproducible solutions in multiple areas, including urban farming, new and renewable energy mixes, resource optimisation in maintenance businesses, real-time energy measurement and adjustment, the urban Internet of Things, or smart and shared parking solutions.

The Infrastructure division continues its constructive collaboration with Olikrom, a small business in Pessac, near Bordeaux, to develop smart road paint. The paint charges during the day and becomes fluorescent at night to improve road safety. A test in real road conditions was conducted in 2018 on the RN2 in the Aisne department northeast of Paris. The paint will also be used on bike lanes and more widely at dangerous points such as pedestrian crossings.

Meanwhile, the Construction division collaborated with the start-up Vendredi 4 to initiate the digital transformation and transition of work methods at construction worksites. Eiffage Construction Paris enlisted Vendredi 4 to design and convert one of the worksite coordination offices to digital systems at the "15 Laborde" worksite in Paris. The project demonstrates the way in which worksite management is moving towards a transformation to digital technology.

A number of partnership initiatives are described in the section Reducing our environmental footprint (page 176).

Innovation support funds

To support innovation processes and the deployment of solutions that enhance performance and enable us to tackle future technological challenges, two internal co-financing instruments have been implemented. Both are available to all business lines, without exception.

The first, Seed'Innov, is an innovation seed fund that co-finances innovative solutions, providing assistance from the earliest stages of R&D and proof-of-concept, and continuing to support projects through to commercial launch. Its role is to cut the time-to-market. In less than two years, Seed'Innov has funded over 20 projects and allocated nearly €2.2 million in financial support. The Group's contribution averaged 40%, and up to 50% of the expenditure is eligible.

The other fund, E-Face, supports low-carbon innovative solutions (page 158).

Responsible purchasing policy

Purchases represented over 50% of Eiffage's revenue in 2018. Suppliers and subcontractors contribute to the Group's current and future value. They are a vector of its innovation capacity, participate in implementing sustainable development practices, and contribute to business performance. The Group therefore believes in the importance of protecting and building this "supplier capital".

Eiffage's responsible purchasing policy is designed to challenge and drive the improvement of purchasing processes. This process is deployed alongside the Care of duty plan described in Chapter E of the Directors' report. The purchasing Charter of Commitment, the Code of conduct and the Subcontractor Essentials training compose the key elements of the core purchasing process.

The policy focuses on the following priorities:
– Strengthening supplier qualification processes and incorporating CSR criteria.
– Training staff to use qualification tools, especially regarding CSR criteria.
– Reinforcing supplier relations and better managing risks by introducing tighter management of contracts, improvement plans and assessments.
– Transposing the Group's low-carbon strategy into purchasing processes and in managing supplier innovation.
– Developing a temporary staff management policy that supports integration.

Strengthening supplier qualification processes and gradually incorporating CSR criteria

In 2018, the Purchasing department worked with the Sustainable Development and Transversal Innovation (SDTI) department to redesign its tools and come up with a simplified, highly operational CSR and Innovation supplier qualification process. The department opted for the solution from Lodace Sourcing (Jaggaer), adding into it seven CSR and Innovation criteria, including respect for human rights. The system was also applied to launching consultations, managing framework agreements and supplier panels (expenditure data, financial ratings, etc.).

Lodace Sourcing provides a comprehensive overview of suppliers and integrates the CSR rating. The Purchasing department added an open-ended question to the seven CSR criteria to better identify the environmental innovations developed by suppliers likely to interest Eiffage. In 2019, Purchasing staff plan to run a CSR qualification of the 1,500 suppliers with which Eiffage has signed framework agreements. The Purchasing department has designed communication materials for suppliers and buyers to explain the procedure and why it is important.

Additionally, in 2018 the Group introduced a tool to analyse the ethical practices of third parties. On Board provides access to databases containing information to better understand and assess partner companies that could present a risk.

On top of this overall assessment approach, the Group decided to boost its efforts to conduct more supplier site visits and audits for specific situations. For example, in 2018 Eiffage selected Armor-Lux and Cepovett to supply its work clothes. The Group made a point of choosing French companies that comply with the same CSR standards as it does to create this new line of work clothes. Most of the fabric is manufactured in France by the company TDV, and the clothes are primarily made in Madagascar.

In the same spirit, Eiffage implemented a traceability tool for construction timber. The programme was developed in partnership with the SDTI department to trace where the wood comes from and ensure that wood suppliers adhere to responsible and sustainable practices upstream in the supply chain.

Trialling the wood label

Wood is a valuable material from an environmental perspective, but the industry must ensure that practices are as sustainable as possible and sourcing remains as local as possible. Since 2017, Eiffage has worked with wood materials that can be traced from forest to worksite. The Group commissioned Product DNA, a Swiss consulting firm specialised in tracing raw materials, to integrate traceability processes into the Group's purchasing workflow and relationships with suppliers and subcontractors. A "forest to worksite" wood traceability label was created internally to provide clear visibility of the cutting and processing phases of wood used in both structural and finishing work. The construction site of the Vaugelas high school in Chambéry eastern is currently serving as a testing ground.

Training and educating buyers

Given the Group's decentralised organisation and specific aspects of sourcing in the construction industry, the Purchasing department continued its buyer induction training. Since 2017, more than 100 Purchasing employees have taken the programme. This training develops their understanding of the CSR assessment, the Purchasing Charter of Commitment and low-carbon innovation issues, while strengthening the implementation of Purchasing policies, processes and tools.

Outside France, the Group uses local structures, bolstering their action through young graduates on work abroad programmes to train them to become ambassadors of the Group's strategy.

In 2018, the Energy Systems division organised its first international purchasing seminar, which was attended by 20 subsidiary purchasing managers. Following the event, a permanent international working group was formed to better coordinate their action. Six purchasing categories were identified to facilitate bulk purchasing to develop economies of scale and ensure that targets are consistent between different countries. The working group established expert subsidiaries to act as a benchmark for each division based on their specific expertise. For example, the Spanish subsidiary of Eiffage Énergie Systèmes has developed advanced expertise in purchasing solar panels, and the Netherlands subsidiary in designing and managing contracts in the energy industry.

Improving procedures for processing supplier invoices is important in enhancing the Group's relations with its suppliers and subcontractors.

Eiffage has taken several steps to do that, such as:
- ➔ implementing Shared Services Centres (SSCs) in France, based on the Group's decision not to outsource these procedures;
- ➔ improving payment terms by upgrading and standardising management processes and tools – from the purchase request to payment;
- ➔ outsourcing the processing of expense reports to an organisation specialised in supporting the employment of people with disabilities.

Integrating our low-carbon strategy into our purchasing policy

Energy management

Measures aimed at boosting energy efficiency are essential to reduce the cost and impact of business activities on the environment. That is one of the reasons why in 2017 the Purchasing department comprehensively overhauled the management of its energy contracts, which concerned both the energy management of fixed sites (offices, etc.) and worksites.

The reform, developed in 2018, is currently being deployed across fixed sites. In 2019, it will be rolled out at:

➔ **fixed sites** to optimise power subscriptions and ensure that contracts reflect actual site requirements. To do that, the Purchasing department is working with a start-up that collects consumption data from entities and compares it with contracts signed with the supplier. If the subscriptions are not in line with actual use, the contract is automatically adjusted;

➔ **worksites.** Experience shows that energy consumption varies significantly from one phase to another. It is high during periods when cranes are used and lower at the beginning and end phases. In the past, each worksite negotiated with its own supplier individually without changing the power subscription throughout the duration of the worksite.

Since the end of 2018, the Purchasing department manages a single contract that covers all worksites in France. The tool developed by the start-up will provide real-time energy consumption data at each worksite, and a notification will be sent to worksite managers as soon as the power subscription exceeds actual requirements.

This measure aims to both reduce electricity transmission and distribution costs and allow the network manager to improve coordination of energy reserves in order to better plan electricity use and therefore adjust the network accordingly. This new energy management system will be assessed at the end of 2019 to make sure it is its efficient.

Sourcing low-carbon materials and working towards a circular economy

The Purchasing department is developing its sourcing strategy to provide innovative, more responsible products and solutions. Sustainable management of materials drives innovation to identify new construction solutions that promote reuse, especially to save primary raw materials. This also means developing new materials with a lower carbon output. One building at the worksite of the Châtenay-Malabry eco-neighbourhood will be constructed entirely with recycled concrete – a first in France (page 160).

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Designing low-carbon materials: Eiffage buys low-carbon concrete

Eiffage Construction sought out a partner to reduce the carbon impact from producing unreinforced concrete.
A low-carbon concrete tested in western France in 2018 was used at the vast Gaîté Montparnasse worksite in Paris.
The Purchasing department selected a partner that had developed a special concrete in which the type I and type II cement, which is responsible for 80% of the carbon emissions from unreinforced concrete, is replaced with a granulated slag. This "no-cement" concrete sets and hardens quickly while offering excellent environmental performance.

Developing a temporary staff management policy that supports integration

Temporary staffing expenses totalled €390 million in 2018, up 7% compared with 2017. Revenue generated with temporary employment agencies with integration programmes came to €57.9 million, covering nearly 700 temporary workers. This figure does not cover all temporary staff on integration programmes, as traditional temporary employment agencies also use workers on integration programmes, but they are not always counted as such.

Use of temporary staff is managed by an HR specialist from the Purchasing department who works closely with the division HR departments. The goal is to better negotiate contracts, but also to make sure the "integration" factor is properly accounted for in the temporary staff management policy.

On this basis, the Purchasing department signed 10 framework agreements for 2017 and 2018 with large temp staffing firms (Adecco, Manpower, etc.) and with temporary employment agencies with integration programmes, such as A2i (Actual) and Humando (Adecco group). These agencies offer temporary jobs to integrate marginalised unemployed people (long-term unemployed, former inmates, etc.) or people with disabilities. They also have the advantage of using adapted methods and processes in selecting individuals and supporting them in their efforts to find a job.

At large, long-term worksites, such as the Grand Paris Express (GPE), Eiffage entities provide training programmes that lead to qualifications, which could help people find a position with the Group. We also provide training through the Eiffage School, located at the site of the national organisation for adult vocational training (AFPA) in Bernes-sur-Oise north of Paris, for jobs at GPE worksites. The Eiffage Group never uses posted workers. Foreigners may work at sites but are always hired under French labour law, in line with the Group's ethics policy.

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Appendices

Quantitative employment reporting

Table 1:
Workforce at 31 December 2018

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Total managers	2016	2,513	2,685	3,512	531	81	345	9,667
	2017	2,618	2,828	3,661	520	76	347	10,050
	2018	2,729	3,203	3,791	517	79	358	10,677
Total technical, clerical and supervisory staff	2016	1,629	4,558	8,002	1,826	161	191	16,367
	2017	1,653	4,541	8,207	1,808	165	216	16,590
	2018	1,694	4,678	8,610	1,791	158	280	17,211
Total blue-collar workers	2016	4,701	9,272	8,041	1,343	48	0	23,405
	2017	4,398	8,988	7,847	1,279	51	0	22,563
	2018	4,200	8,871	7,785	1,249	58	0	22,163
Total workforce	2016	8,843	16,515	19,555	3,700	290	536	49,439
	2017	8,669	16,357	19,715	3,607	292	563	49,203
	2018	8,623	16,752	20,186	3,557	295	638	50,051

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Total workforce	2016	3,724	3,196	2,296	800	736	975	389
	2017	3,994	3,393	3,090	822	637	1,764	462
	2018	4,218	3,591	3,605	850	615	1,853	470

Other Europe = Italy, Portugal, Romania, Slovakia, Switzerland and United Kingdom. 74.4% of the workforce outside France is included in the reporting scope.
Other international = Canada, Colombia and India.

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Table 2: Recruitments and dismissals

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Managers recruited on fixed-term + unlimited contracts	2016	287	281	359	10	8	35	980
	2017	379	422	486	7	3	35	1,332
	2018	447	620	501	21	9	47	1,645
Ratio of female managers recruited on fixed-term + unlimited contracts	2016	28.22%	18.51%	16.71%	50.00%	25.00%	40.00%	21.84%
	2017	31.13%	22.04%	16.26%	57.14%	0.00%	42.86%	23.20%
	2018	28.41%	19.35%	17.17%	14.29%	11.11%	42.55%	21.70%
Technical, clerical and supervisory staff recruited on fixed-term + unlimited contracts	2016	208	512	765	75	42	36	1,638
	2017	294	640	1,089	99	27	34	2,183
	2018	367	834	1,433	104	31	64	2,833
Ratio of female technical, clerical and supervisory staff recruited on fixed-term + unlimited contracts	2016	41.35%	29.49%	17.12%	36.00%	26.19%	44.44%	25.76%
	2017	35.37%	28.91%	17.26%	45.45%	25.93%	32.35%	24.74%
	2018	38.96%	31.53%	19.47%	38.46%	16.13%	48.44%	26.86%
Blue-collar workers recruited on fixed-term + unlimited contracts	2016	59	655	723	76	51	0	1,564
	2017	124	865	1,010	65	5	0	2,069
	2018	209	999	1,255	91	10	0	2,564
Ratio of female blue-collar workers recruited on fixed-term + unlimited contracts	2016	1.69%	0.92%	1.24%	6.58%	0.00%	N/A	1.34%
	2017	1.61%	1.04%	1.98%	9.23%	20.00%	N/A	1.84%
	2018	0.96%	0.70%	1.59%	15.38%	0.00%	N/A	1.68%
Employees recruited on fixed-term + unlimited contracts	2016	554	1,448	1,847	161	101	71	4,182
	2017	797	1,927	2,585	171	35	69	5,584
	2018	1,023	2,453	3,189	216	50	111	7,042
People recruited under the age of 26	2016	257	609	730	70	34	31	1,731
	2017	346	748	967	75	14	32	2,182
	2018	418	886	1,097	73	19	47	2,540
Seniors recruited (aged 50 and above)	2016	30	105	155	13	5	5	313
	2017	42	136	213	21	3	4	419
	2018	63	227	258	33	4	5	590
Dismissals of employees on unlimited contracts excluding termination by mutual agreement	2016	248	684	342	21	7	5	1,307
	2017	245	531	359	19	3	4	1,161
	2018	208	458	302	23	4	4	999

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Employees recruited on fixed-term + unlimited contracts	2016	600	370	1,084	184	63	806	80
	2017	802	447	1,992	209	71	1,346	471
	2018	874	530	1,547	294	68	1,791	933
Dismissals of employees on unlimited contracts excluding termination by mutual agreement	2016	134	244	50	44	10	0	11
	2017	135	292	89	63	49	0	14
	2018	184	245	74	30	62	0	37

Table 3: Interns and work-study apprentices

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Active mentors	2016	213	882	897	166	52	0	2,210
	2017	339	860	940	260	51	0	2,450
	2018	368	771	1,087	216	48	0	2,490
Interns during the year	2016	692	740	1,186	85	12	24	2,739
	2017	769	702	1,213	80	7	32	2,803
	2018	782	751	1,212	64	7	31	2,847
Work-study apprentices at 31/12	2016	180	655	769	109	14	8	1,735
	2017	233	725	880	122	15	14	1,989
	2018	286	852	1,092	137	12	23	2,402
Work-study apprentices during the year	2016	299	961	1,126	186	20	11	2,603
	2017	328	1,105	1,312	204	24	20	2,993
	2018	426	1,245	1,524	233	20	31	3,479

Table 4:
Gross payroll expenses excluding leave (annual average in €)

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Female managers	2016	47,996	48,727	47,620	54,288	49,166	59,130	**49,485**
	2017	47,836	48,009	48,245	54,786	51,870	57,358	**49,329**
	2018	**48,188**	**49,618**	**48,302**	**56,095**	**50,544**	**58,507**	**49,956**
Male managers	2016	61,339	61,889	56,096	66,525	67,842	88,262	**60,565**
	2017	61,250	62,614	56,862	66,683	70,502	91,284	**61,136**
	2018	**61,517**	**63,300**	**56,999**	**68,878**	**73,218**	**91,611**	**61,534**
Managers	2016	58,797	59,987	55,049	62,937	64,355	78,700	**58,750**
	2017	58,469	60,355	55,788	63,093	66,593	79,902	**59,101**
	2018	**58,625**	**61,085**	**55,872**	**64,987**	**68,927**	**80,327**	**59,477**
Female technical, clerical and supervisory staff	2016	29,974	29,878	28,812	31,964	28,849	32,148	**29,949**
	2017	30,491	30,125	29,306	32,622	28,923	31,455	**30,404**
	2018	**30,829**	**30,905**	**29,598**	**33,159**	**28,898**	**31,671**	**30,856**
Male technical, clerical and supervisory staff	2016	35,629	36,356	33,625	35,680	30,301	35,390	**34,745**
	2017	35,883	36,815	34,067	36,141	30,951	34,185	**35,137**
	2018	**35,782**	**37,504**	**34,420**	**36,951**	**32,287**	**33,191**	**35,553**
Technical, clerical and supervisory staff	2016	33,508	34,945	32,736	33,945	29,820	33,993	**33,559**
	2017	33,866	35,372	33,220	34,500	30,354	32,773	**33,985**
	2018	**33,976**	**36,059**	**33,578**	**35,183**	**31,338**	**32,363**	**34,421**
Female blue-collar workers	2016	22,622	23,564	23,019	31,257	N/A	N/A	**28,718**
	2017	22,630	23,749	23,307	32,227	20,763	N/A	**29,364**
	2018	**22,814**	**24,259**	**23,048**	**32,701**	**22,125**	**N/A**	**29,454**
Male blue-collar workers	2016	30,445	28,441	27,592	30,732	23,799	N/A	**28,643**
	2017	30,755	29,018	27,959	31,582	29,324	N/A	**29,095**
	2018	**31,255**	**29,767**	**28,291**	**32,438**	**29,415**	**N/A**	**29,633**
Blue-collar workers	2016	30,399	28,419	27,535	30,897	23,799	N/A	**28,645**
	2017	30,702	28,993	27,903	31,776	29,198	N/A	**29,102**
	2018	**31,200**	**29,742**	**28,224**	**32,512**	**29,286**	**N/A**	**29,629**

Table 5:
Organisation of working time

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Ratio of male managers working part time	2016	0.55%	0.26%	0.65%	0.54%	0.00%	1.30%	**0.52%**
	2017	0.49%	0.34%	0.69%	1.11%	0.00%	1.30%	**0.57%**
	2018	**0.47%**	**0.48%**	**0.58%**	**0.56%**	**0.00%**	**1.70%**	**0.55%**
Ratio of female managers working part time	2016	7.55%	5.03%	7.16%	12.58%	0.00%	4.39%	**7.03%**
	2017	6.34%	4.63%	5.39%	11.80%	0.00%	3.42%	**5.90%**
	2018	**5.65%**	**4.05%**	**5.13%**	**11.18%**	**0.00%**	**4.88%**	**5.46%**
Ratio managers working part time	2016	1.95%	0.97%	1.45%	4.14%	0.00%	2.32%	**1.61%**
	2017	1.76%	1.03%	1.28%	4.42%	0.00%	2.02%	**1.51%**
	2018	**1.65%**	**1.06%**	**1.19%**	**3.87%**	**0.00%**	**2.79%**	**1.44%**
Ratio of male technical, clerical and supervisory staff working part time	2016	0.60%	0.42%	0.95%	1.25%	2.75%	1.06%	**0.81%**
	2017	0.29%	0.31%	0.95%	1.26%	2.54%	0.97%	**0.75%**
	2018	**0.28%**	**0.28%**	**1.02%**	**1.27%**	**1.77%**	**0.81%**	**0.77%**
Ratio of female technical, clerical and supervisory staff working part time	2016	12.90%	9.38%	16.03%	12.14%	15.38%	7.22%	**12.92%**
	2017	11.58%	9.04%	15.49%	11.72%	12.77%	8.85%	**12.36%**
	2018	**11.08%**	**8.06%**	**14.73%**	**12.07%**	**6.67%**	**7.69%**	**11.69%**
Ratio of technical, clerical and supervisory staff working part time	2016	5.34%	2.37%	3.76%	6.41%	6.83%	4.19%	**3.86%**
	2017	4.48%	2.20%	3.58%	6.19%	5.45%	5.09%	**3.62%**
	2018	**4.25%**	**2.01%**	**3.47%**	**6.37%**	**3.16%**	**4.64%**	**3.47%**
Ratio of male blue-collar workers working part time	2016	0.26%	0.30%	0.69%	4.10%	N/A	N/A	**0.58%**
	2017	0.30%	0.35%	0.71%	4.20%	N/A	N/A	**0.62%**
	2018	**0.62%**	**0.34%**	**0.73%**	**3.96%**	**N/A**	**N/A**	**0.68%**
Ratio of female blue-collar workers working part time	2016	18.75%	26.53%	25.00%	35.15%	N/A	N/A	**31.90%**
	2017	9.68%	27.66%	23.89%	35.52%	N/A	N/A	**31.24%**
	2018	**10.34%**	**25.58%**	**20.00%**	**35.89%**	**N/A**	**N/A**	**30.38%**
Ratio of blue-collar workers working part time	2016	0.38%	0.44%	1.02%	14.30%	N/A	N/A	**1.42%**
	2017	0.36%	0.49%	1.04%	13.92%	N/A	N/A	**1.42%**
	2018	**0.69%**	**0.46%**	**1.01%**	**13.29%**	**N/A**	**N/A**	**1.42%**
Ratio of employees working part time	2016	1.74%	1.06%	2.22%	8.95%	3.79%	2.99%	**2.27%**
	2017	1.57%	1.06%	2.15%	8.68%	3.08%	3.20%	**2.18%**
	2018	**1.69%**	**1.01%**	**2.10%**	**8.43%**	**1.69%**	**3.61%**	**2.13%**

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Ratio of employees working part-time	2016	5.75%	7.82%	3.31%	1.88%	2.04%	0.00%	0.00%
	2017	4.61%	7.84%	2.59%	1.34%	2.20%	0.00%	0.22%
	2018	5.43%	7.45%	2.86%	0.94%	1.95%	0.00%	0.00%

Table 6: Absenteeism

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Net absenteeism rate	2016	6.78%	7.13%	5.77%	5.24%	2.60%	3.55%	6.33%
	2017	7.07%	7.01%	5.75%	5.82%	3.29%	2.90%	6.36%
	2018	6.80%	6.53%	5.57%	5.71%	3.10%	3.32%	6.07%

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Net absenteeism rate	2016	6.91%	7.25%	4.18%	8.25%	4.17%	0.75%	0.00%
	2017	7.24%	5.89%	3.72%	6.06%	3.27%	0.92%	3.64%
	2018	6.56%	7.45%	3.79%	7.24%	4.14%	1.08%	2.69%

Table 7: Health & Safety

France		Construction	Infrastructure*	Energy Systems	APRR	Other concessions	Holding	Total France
Frequency rate of workplace accidents	2016	12.40	10.68	9.00	4.21	15.55	5.22	9.88
	2017	10.29	8.09	7.87	5.89	11.07	1.13	8.31
	2018	10.11	7.61	8.30	5.18	28.32	0.00	8.27
Frequency rate for temporary staff	2016	35.05	29.56	22.553	17.19	0.00	0.00	26.73
	2017	39.93	32.317	24.614	9.45	0.00	0.00	29.57
	2018	49.10	28.83	24.07	27.20	0.00	0.00	30.08
Statutory severity rate	2016	1.48	1.0	0.52	0.65	0.29	0.10	0.87
	2017	0.99	0.75	0.61	0.46	0.44	0.01	0.87
	2018	0.92	0.79	0.53	0.39	0.40	0.00	0.67
Occupational illnesses identified during the year and attributable to the Company	2016	80	64	100	4	0	0	248
	2017	55	44	86	6	0	0	191
	2018	69	57	49	10	0	0	185

* Excluding Goyer (FR: 17.35—SR: 1.54 in 2018).

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal
Frequency rate of workplace accidents	2017	21.60	9.95	8.31	10.70	5.70	7.67
	2018	20.39	11.09	7.27	9.80	6.15	9.03
Statutory severity rate	2017	0.46	0.42	0.30	0.27	0.23	0.11
	2018	0.51	0.35	0.39	0.21	0.21	0.08

72% of international employees are covered by this indicator.

The accident frequency rate and statutory severity rate are defined as follows:

- Frequency rate: total number of lost-time workplace accidents x 1,000,000 / total number of hours worked.
- Statutory severity rate: number of days lost due to workplace accidents over the past three years x 1,000 / total number of hours worked.

Table 8:
Training

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Total hours of training	2016	155,643	247,120	384,535.633	74,689	2,977	9,655	**874,618**
	2017	139,857	259,488	409,958	71,158	4,986	12,737	**898,183**
	2018	**147,255**	**271,196**	**426,427**	**70,989**	**4,345**	**9,840**	**930,052**
Total training cost	2016	1.80%	1.68%	2.92%	3.91%	1.08%	2.49%	**2.34%**
	2017	1.78%	1.78%	2.96%	4.00%	1.62%	2.72%	**2.39%**
	2018	**1.93%**	**1.80%**	**3.03%**	**4.01%**	**1.52%**	**2.16%**	**2.44%**

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Total hours of training	2016	42,450	52,982	32,430	9,176	6,553	5,256	2,747
	2017	54,088	63,539	43,127	8,340	12,724	1,570	2,919
	2018	**51,583**	**92,942**	**64,711**	**10,964**	**6,482**	**20,324**	**11,401**

Total training cost: training expenditure as a percentage of payroll.

Table 9:
Employment of women

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Percentage of female managers	2016	20.02%	14.82%	12.33%	29.94%	18.52%	33.04%	**16.78%**
	2017	21.70%	16.05%	12.67%	30.96%	21.05%	33.72%	**17.71%**
	2018	**22.72%**	**16.17%**	**13.37%**	**31.14%**	**17.72%**	**34.36%**	**18.20%**
Percentage of female technical, clerical and supervisory staff	2016	38.55%	21.74%	18.63%	47.37%	32.30%	50.79%	**25.20%**
	2017	37.08%	21.67%	18.09%	47.18%	28.48%	52.31%	**24.68%**
	2018	**36.78%**	**22.27%**	**17.90%**	**47.18%**	**28.48%**	**55.71%**	**24.71%**
Percentage of female blue-collar workers	2016	0.68%	0.53%	1.34%	32.84%	0.00%	N/A	**2.69%**
	2017	0.70%	0.52%	1.44%	31.04%	1.96%	N/A	**2.61%**
	2018	**0.69%**	**0.48%**	**1.48%**	**29.22%**	**1.72%**	**N/A**	**2.50%**
Percentage of female employees	2016	13.15%	8.71%	10.39%	39.59%	23.10%	39.37%	**12.90%**
	2017	13.98%	9.08%	10.46%	39.12%	21.92%	40.85%	**13.14%**
	2018	**14.75%**	**9.57%**	**10.72%**	**38.54%**	**20.34%**	**43.73%**	**13.48%**

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Percentage of female employees	2016	13.16%	9.47%	7.97%	25.00%	11.77%	5.53%	10.80%
	2017	12.77%	9.99%	7.05%	26.76%	9.83%	4.88%	8.23%
	2018	**12.63%**	**9.69%**	**7.71%**	**29.06%**	**10.99%**	**9.34%**	**15.53%**

Table 10:
People with disabilities

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Number of people with disabilities (DOETH form, section C)	2016	301.90	702.93	805.19	150.97	5.00	6.17	**1,972.16**
	2017	347.91	622.12	786.25	169.82	5.00	9.16	**1,940.26**
	2018	**340.17**	**616.72**	**773.64**	**177.25**	**6.00**	**8.25**	**1,922.03**
Number of units under contracts with sheltered, supported and employment integration centres (DOETH form, section D2)	2016	10.45	21.885	29.91	6.11	0.00	0.65	**69.01**
	2017	14.20	20.58	21.69	7.78	0.77	1.86	**66.88**
	2018	**8.24**	**26.22**	**37.65**	**7.70**	**0.00**	**2.78**	**82.59**
Eligible employee shortfall after above initiatives (DOETH form, section G)	2016	133.11	174.18	174.38	20.44	2.00	12.18	**516.29**
	2017	126.56	199.62	172.05	19.69	3.33	8.48	**529.73**
	2018	**139.42**	**191.72**	**171.25**	**14.63**	**0.00**	**9.47**	**526.49**
Penalties paid (DOETH form, section P) (€)	2016	187,523	276,459.80	475,005.41	55,613	0	52,836	**1,047,438**
	2017	189,648	319,014	384,133	58,328	5,027	32,229	**988,379**
	2018	**200,678**	**341,751**	**547,940**	**43,391**	**3,904**	**45,463**	**1,183,127**
Number of people with disabilities recruited	2016	6	4	14	2	0	0	**26**
	2017	11	12	17	1	0	0	**41**
	2018	**8**	**9**	**22**	**3**	**0**	**0**	**42**

DOETH data published corresponds to data from Y-1.

Table 11:
Breakdown by age

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Number of employees aged under 26	2016	581	1,418	1,515	114	36	28	**3,692**
	2017	647	1,515	1,761	127	34	36	**4,120**
	2018	**715**	**1,711**	**2,069**	**124**	**30**	**55**	**4,704**
Number of employees aged between 26 and 30	2016	1,163	1,850	2,000	123	45	57	**5,603**
	2017	1,058	1,757	1,964	106	38	61	**4,984**
	2018	**1,041**	**1,754**	**1,988**	**110**	**42**	**82**	**5,017**
Number of employees aged between 31 and 35	2016	1,306	2,022	2,408	174	50	83	**6,043**
	2017	1,275	2,050	2,414	183	46	77	**6,045**
	2018	**1,211**	**2,122**	**2,391**	**188**	**47**	**69**	**6,028**
Number of employees aged between 36 and 40	2016	1,110	1,887	2,373	326	45	95	**5,836**
	2017	1,077	1,947	2,428	290	46	95	**5,883**
	2018	**1,151**	**2,038**	**2,632**	**257**	**42**	**113**	**6,233**
Number of employees aged between 41 and 45	2016	1,182	2,132	2,416	703	34	79	**6,546**
	2017	1,150	1,996	2,350	624	36	78	**6,234**
	2018	**1,037**	**1,989**	**2,313**	**583**	**38**	**78**	**6,038**
Number of employees aged between 46 and 50	2016	1,322	2,585	3,105	767	41	62	**7,882**
	2017	1,215	2,437	2,990	748	47	61	**7,498**
	2018	**1,163**	**2,366**	**2,877**	**754**	**44**	**71**	**7,275**
Number of employees aged between 51 and 55	2016	1,209	2,571	3,082	786	23	76	**7,747**
	2017	1,284	2,606	3,134	806	24	81	**7,935**
	2018	**1,316**	**2,669**	**3,158**	**790**	**32**	**87**	**8,052**
Number of employees aged between 56 and 60	2016	813	1,743	2,306	564	13	43	**5,482**
	2017	806	1,771	2,302	579	18	57	**5,533**
	2018	**833**	**1,805**	**2,382**	**621**	**19**	**67**	**5,727**
Number of employees aged between 61 and 65	2016	141	282	330	140	3	11	**907**
	2017	147	253	346	140	3	17	**906**
	2018	**149**	**269**	**356**	**125**	**1**	**15**	**915**
Number of employees aged over 65	2016	16	25	20	3	0	2	**69**
	2017	10	25	26	4	0	0	**65**
	2018	**7**	**29**	**20**	**5**	**0**	**1**	**62**

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Number of employees aged under 26	2016	626	209	61	77	41	28	51
	2017	669	228	87	95	32	100	79
	2018	**736**	**222**	**87**	**87**	**44**	**109**	**52**
Number of employees aged between 26 and 30	2016	346	352	130	84	98	72	59
	2017	383	377	209	88	71	188	80
	2018	**416**	**402**	**234**	**117**	**48**	**228**	**70**
Number of employees aged between 31 and 35	2016	313	366	304	163	85	189	93
	2017	335	373	390	157	62	304	110
	2018	**377**	**422**	**461**	**153**	**48**	**401**	**109**
Number of employees aged between 36 and 40	2016	314	374	463	134	93	198	60
	2017	374	395	595	137	84	334	67
	2018	**394**	**404**	**631**	**129**	**75**	**366**	**79**
Number of employees aged between 41 and 45	2016	343	417	484	124	90	188	56
	2017	355	396	638	121	87	315	56
	2018	**345**	**426**	**725**	**120**	**92**	**275**	**83**
Number of employees aged between 46 and 50	2016	548	513	377	72	106	158	21
	2017	516	520	524	80	94	269	33
	2018	**504**	**538**	**647**	**100**	**91**	**246**	**29**
Number of employees aged between 51 and 55	2016	591	495	276	46	98	96	28
	2017	626	547	363	54	94	171	29
	2018	**635**	**563**	**446**	**54**	**94**	**149**	**24**
Number of employees aged between 56 and 60	2016	435	334	147	61	78	45	15
	2017	462	375	201	55	77	81	15
	2018	**511**	**408**	**262**	**54**	**77**	**77**	**15**
Number of employees aged between 61 and 65	2016	180	138	53	31	38	1	4
	2017	229	184	80	33	41	2	5
	2018	**253**	**193**	**88**	**33**	**44**	**2**	**6**
Number of employees aged over 65	2016	28	7	1	8	9	0	2
	2017	32	4	3	7	10	0	2
	2018	**37**	**7**	**4**	**3**	**14**	**0**	**3**

Quantitative environmental reporting

Table 1: Certifications

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
ISO 14001-certified revenue	2016	98.61%	92.00%	88.00%	100%	N/A	N/A	**94.82%**
	2017	99.18%	92.00%	90.00%	100%	N/A	N/A	**92.60%**
	2018	**90.63%**	**95.00%**	**88.00%**	**100%**	**N/R**	**N/A**	**91.04%**
ISO 9001-certified revenue	2016	98.99%	94.00%	96.00%	100%	N/A	N/A	**97.25%**
	2017	99.61%	94.00%	99.00%	100%	N/A	N/A	**95.44%**
	2018	**91.10%**	**93.00%**	**97.00%**	**100%**	**N/R**	**N/A**	**92.73%**
Safety-certified revenue	2016	82.71%	29.00%	62.00%	24.99%	N/A	N/A	**44.51%**
	2017	76.25%	36.00%	56.00%	0.00%	N/A	N/A	**52.43%**
	2018	**62.96%**	**33.00%**	**69.00%**	**0.00%**	**N/A**	**N/A**	**41.30%**

France + international		Infrastructure
ISO 14001-certified revenue	2017	**92.00%**
	2018	**94.00%**
ISO 9001-certified revenue	2017	**93.00%**
	2018	**93.00%**
Safety-certified revenue	2017	**45.00%**
	2018	**46.00%**

Table 2: Environmental spending

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Environmental-related provisions recognised (€)	2016	115,000	11,911,453	132,036	0	0	0	**12,158,489**
	2017	0	11,698,595	24,352	0	0	0	**11,722,947**
	2018	**0**	**14,728,244**	**0**	**0**	**0**	**0**	**14,728,244**
Environment-related guarantee bonds (€)	2016	0	49,905,571	0	0	0	0	**49,905,571**
	2017	0	48,204,961	5,200	0	0	0	**48,210,161**
	2018	**0**	**42,456,863**	**5,200**	**0**	**0**	**0**	**42,462,063**
Preventive environment-related investments (€)	2016	454,977	2,249,968	722,682	17,171,713	0	0	**20,599,340**
	2017	349,450	3,997,869	88,821	28,017,348	0	0	**32,453,488**
	2018	**373,670**	**4,955,105**	**287,975**	**27,937,889**	**0**	**0**	**33,554,639**
Preventive expenditure for environmental operations (€)	2016	596,976	3,267,559.55	574,769	18,131,409	0	0	**22,570,714**
	2017	481,394	2,858,346	750,533	18,583,606	0	0	**22,673,879**
	2018	**308,756**	**2,717,701**	**1,025,347**	**20,484,896**	**0**	**0**	**24,536,700**
Preventive expenditure for operations (%)	2016	0.02%	0.11%	0.02%	0.78%	0%	N/A	**0.20%**
	2017	0.02%	0.09%	0.03%	0.80%	0%	N/A	**0.19%**
	2018	**0.01%**	**0.08%**	**0.03%**	**0.72%**	**N/R**	**N/A**	**0.20%**
Cost of court-ordered remedial action (€)	2016	1,000	35,650	34,458	0	0	0	**71,108**
	2017	0	7,700	40,470	0	0	0	**48,170**
	2018	**0**	**4,500**	**36,050**	**0**	**0**	**0**	**40,550**

Environmental-related provisions recognised (€) = amount of provisions recognised for environmental risks.
Environment-related guarantee bonds (€) = amount of bank or insurance bonds for guarantees relating to environmental commitments (financial guarantees for quarries, etc.).

Cost of court-ordered remedial action (€) = cost of court-ordered environmental remediation actions.

Table 3:
Water consumption

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Mains water (m^3)	2016	309,245	468,689	75,588	424,762	4,197	13,103	**1,295,583**
	2017	217,066	374,867	62,497	470,033	5,726	20,427	**1,150,615**
	2018	**279,365**	**389,316**	**64,559**	**565,564**	**5,977**	**19,560**	**1,324,341**
Extracted water (m^3)	2016	0	3,209,112	50	2,581	N/A	N/A	**3,212,853**
	2017	0	3,001,801	65	3,563	N/A	N/A	**3,005,429**
	2018	**0**	**3,046,707**	**150**	**2,431**	**N/A**	**N/A**	**3,049,288**
Recovered water (m^3)	2016	95	159,410	N/A	N/A	N/A	N/A	**159,505**
	2017	20	150,217	N/A	N/A	N/A	N/A	**150,237**
	2018	**0**	**167,773**	**N/A**	**N/A**	**N/A**	**N/A**	**167,773**

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Mains water (m^3)	2016	21,470	62,410	80,147	17,023	1,865	53,309	2,106
	2017	20,069	65,655	70,793	23,058	1,294	37,174	2,292
	2018	**40,579**	**56,480**	**60,321**	**21,641**	**5,364**	**47,610**	**3,284**
Extracted water (m^3)	2016	311	132	69,574	0	25	0	967
	2017	696	66	73,020	0	20	0	175
	2018	**622**	**196**	**83,692**	**0**	**25**	**73,664**	**196**
Recovered water (m^3)	2016	0	7,863	0	0	5,800	0	0
	2017	0	6,415	0	0	6,000	0	0
	2018	**0**	**5,704**	**0**	**0**	**5,300**	**0**	**0**

Table 4:
Waste production

Under verification		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Hazardous waste (t)	2016	215	3,636	354	557	0	N/A	**4,762**
	2017	148	8,414	431	1,430	0	N/A	**10,423**
	2018	**148**	**47,468**	**391**	**299**	**0**	**0**	**48,306**
Non-hazardous waste (t)	2016	69,175	16,561	39,840	8,338	N/A	N/A	**133,913**
	2017	74,481	137,212	8,799	5,863	0	N/A	**226,355**
	2018	**82,048**	**155,402**	**8,903**	**8,518**	**0**	**N/A**	**254,870**
Inert waste (t)	2016	48,299	5,026,910	72,926	0	0	N/A	**5,148,135**
	2017	53,792	3,576,328	68,285	0	0	N/A	**3,698,406**
	2018	**43,902**	**3,569,535**	**57,613**	**0**	**0**	**N/A**	**3,671,050**
Waste-related expenditure (€)	2016	12,413,093	4,036,165	1,973,224	2,362,320	NC	43 136	**20,827,938**
	2017	10,987,310	14,022,854	1,598,272	2,511,953	2,403	65,850	**29,188,642**
	2018	**11,040,582**	**21,644,894**	**1,644,931**	**2,935,716**	**7,333**	**62,453**	**37,335,909**

Table 5:
Raw materials

France		Infrastructure
Aggregate consumption (t)	2016	15,312,086
	2017	14,399,071
	2018	**14,546,148**

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Aggregate consumption (t)	2016	820,648	150,084	5,227,118	0	0	243,047	0
	2017	472,467	266,281	4,477,883	0	0	568,121	12,796
	2018	**882,240**	**270,492**	**5,590,891**	**0**	**0**	**602,208**	**5**

France		Infrastructure
ARC 1000 or similar (m^2)	2016	208,516
	2017	271,776
	2018	**199,083**

Table 6: Energy consumption

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
Electricity consumption (GWh)	2016	55.41	159.98	31.224715	69.14	1.35	3.98	321.09
	2017	44.71	162.40	28.74	66.65	2.02	5.04	309.56
	2018	46.22	161.85	31.85	66.42	2.93	5.03	314.31
Renewable energy production (kWh)	2016	24,055	76,073	88,287	54,427	0	119,872	362,714
	2017	123,130	78,085	87,540	58,060	0	145,112	491,927
	2018	22,434	83,318	108,648	56,954	0	148,294	419,648
Petrol consumption (l)	2016	6,942	216,255	71,454	6,589	0	N/A	301,239
	2017	2,718	235,218	157,144	1,227	0	N/A	396,307
	2018	8,656	215,548	135,706	0	0	N/A	359,909
Kerosene consumption (l)	2016	N/A	281,000	N/A	N/A	N/A	N/A	281,000
	2017	N/A	237,000	N/A	N/A	N/A	N/A	237,000
	2018	N/A	185,000	N/A	N/A	N/A	N/A	185,000
Domestic fuel oil consumption (l)	2016	173,551	1,100,521	189,893	602,842	2,977	N/A	2,069,784
	2017	140,036	971,402	85,728	650,719	4,000	N/A	1,851,885
	2018	167,261	1,420,524	43,765	585,438	5,146	N/A	2,222,134
Diesel consumption (l)	2016	5,967,245	32,380,061	19,492,258	5,013,287	15,856	122,638	62,991,345
	2017	5,792,550	32,960,872	19,143,236	5,337,945	63,088	81,535	63,379,226
	2018	5,661,160	32,284,148	20,122,914	4,725,870	291,592	71,919	63,157,602
Non-road diesel consumption (l)	2016	217,677	41,924,323	1,345,949	259,525	0	N/A	43,747,474
	2017	155,246	40,173,332	1,261,894	326,852	0	N/A	41,917,324
	2018	275,943	43,222,705	1,296,886	307,020	0	N/A	45,102,554
Heavy fuel oil consumption (l)	2016	6,693	7,901,268	34,748	N/A	0	N/A	7,942,709
	2017	28,138	8,330,341	0	N/A	0	N/A	8,358,479
	2018	16,492	9,491,061	0	N/A	0	N/A	9,507,553
Butane and propane consumption (kWh)	2016	357,912	732,905	1,383,452	399,629	N/A	N/A	2,873,898
	2017	413,958	752,975	1,214,443	472,968	N/A	N/A	2,854,344
	2018	420,666	245,321	770,721	477,452	N/A	N/A	1,914,160
Natural gas consumption (kWh)	2016	2,101,959	904,962,116	16,273,531	5,338,149	N/A	1,263,000	929,938,755
	2017	1,915,913	891,415,144	15,213,245	5,229,674	N/A	1,367,726	915,141,702
	2018	2,648,504	940,893,380	13,089,344	5,028,159	N/A	1,288,780	962,948,167
Lignite consumption (t)	2016	N/A	3,004	N/A	N/A	N/A	N/A	3,004
	2017	N/A	24	N/A	N/A	N/A	N/A	24
	2018	N/A	0	N/A	N/A	N/A	N/A	0

International		Germany	Benelux	Spain	Poland	Other Europe	Senegal	Other international
Electricity consumption (GWh)	2016	6.13	25.75	13.50	5.99	0.69	0.97	1
	2017	6.61	26.95	21.60	8.38	4.69	1.54	0.02
	2018	6.90	24.26	23.49	7.09	3.69	3.32	0.45
Renewable energy production (kWh)	2016	90,879	1,030,601	0	0	4,832	0	0
	2017	235,550	973,965	0	0	5,939	0	0
	2018	252,483	920,194	0	0	4,689	0	0
On-site consumption of generated power (kWh)	2016	39,402	263,061	0	0	36,635	0	0
	2017	30,843	301,692	0	0	38,126	0	0
	2018	22,741	666,106	0	0	35,360	0	0
Petrol consumption (l)	2016	69,632	946,309	39,735	13,332	20,863	16,328	15,453
	2017	90,150	21,624	43,764	25,407	20,081	271,135	19,200
	2018	116,097	43,380	51,274	35,826	12,449	164,391	48,426
Kerosene consumption (l)	2016	N/A	N/A	N/A	N/A	N/A	160,000	N/A
	2017	N/A	N/A	N/A	N/A	N/A	0	N/A
	2018	0	N/A	N/A	N/A	N/A	0	N/A
Diesel consumption (l)	2016	9,448,013	4,588,565	7,609,107	389,234	682,483	5,933,000	91,540
	2017	10,238,868	4,241,407	9,029,082	367,832	1,546,206	5,932,687	143,498
	2018	10,792,982	4,824,845	10,098,564	356,185	956,689	7,508,295	404,583
Domestic fuel oil consumption (l)	2016	14,796	451,848	1,500,434	N/A	N/A	N/A	200
	2017	15,116	1,732,940	2,706,478	N/A	N/A	N/A	0
	2018	127,909	571,617	2,886,858	N/A	N/A	N/A	0
Heavy fuel oil consumption (l)	2016	223,170	551,013	5,007,048	13,577	N/A	25,556	N/A
	2017	172,491	655,420	5,712,207	4,438	N/A	70,000	N/A
	2018	95,075	939,377	7,917,858	0	N/A	0	N/A
Butane and propane consumption (kWh)	2016	526,803	3,191,687	0	192,822	N/A	11,868	N/A
	2017	610,295	3,672,539	17,160	191,367	1,076,363	0	N/A
	2018	748,367	4,064,308	18,876	265,790	135,290	0	0
Natural gas consumption (kWh)	2016	8,583,254	10,103,590	11,813,025	438,390	111,473	N/A	106,500
	2017	8,427,873	15,723,495	2,624,834	530,002	568,972	N/A	15,200
	2018	9,034,427	10,210,060	8,802,029	441,949	637,103	N/A	0

Table 7:
Greenhouse gas emissions assessment

France		Construction	Infrastructure	Energy Systems	APRR	Other concessions	Holding	Total France
GHG emissions ($tCO_2eq.$)	2016	20,890	296,206	60,828	23,996	89	1,469	**400,389**
	2017	20,048	286,986	59,592	25,002	428	1,565	**393,621**
	2018	**19,656**	**292,662**	**61,111**	**22,153**	**1,045**	**1,434**	**398,062**

In 2018, emissions factors were updated on the Enablon platform to include changes to the carbon base (Base carbone®) and in particular the Ademe updates introduced in September 2018 affecting kerosene and natural gas, and in December 2017 affecting electricity.
GHG emissions outside France (Scope 1 and 2) amounted to 161,777 tCO_2eq.
GHG emissions from use of the APRR network (Scope 3) amounted to 7,106,495 tCO_2eq.
GHG emissions from use of Group buildings under concession (prisons, hospitals, schools and stadiums) amounted to 8,160 tCO_2eq.

Table 8:
Warm-mix asphalt production

France		
Warm-mix asphalt	2016	863,739
	2017	1,189,638
	2018	**1,754,092**

Sustainable development reporting methodology note

The Eiffage statement of non-financial performance meets the requirements of articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code. Eiffage did not follow a particular social or environmental benchmark in preparing this report.

Measures to combat food waste are not included in the reporting scope as food waste is not a material consideration in the context of the Group's operations.

Quantitative data

REPORTING SCOPE

The social and environmental reporting includes France and the international entities, and is based on consolidated financial information with the aim of providing exhaustive coverage. Unless otherwise stated, 92.6% of the Group workforce is covered. It does not include the subsidiaries acquired in 2018.

The contribution rate for environmental reporting via the Enablon software was 99% for France and 98% outside France. This contribution rate was calculated based on the response rate by Group entities to Enablon questionnaires issued as part of the annual environmental reporting campaign.

INDICATORS

The social and environmental indicators are defined to meet the requirements of article R.225-105-1 of the French Commercial Code. Additional indicators considered to be relevant to the Group's businesses are also defined.

To ensure a uniform approach, the individuals contributing and approving data refer to a reporting guide that presents the designation, definition (if needed) and calculation formula (if needed) for each indicator, as well as the list of calculation details and a note explaining the elements to be included. The reporting guide is available in the reporting application and is sent to all contributors.

CONSOLIDATION OF QUANTITATIVE DATA

Data collection takes place through various channels:

- Sextant, the HR management software developed by Eiffage, supplies employment data for all the French subsidiaries, except statistics concerning workplace accidents, occupational illnesses and people with disabilities.
- Workplace accident statistics are generated by the divisions' workplace accident management applications (Acciline and SAGA for APRR), and Group results are calculated based on the data submitted by the divisions.
- Data concerning workplace accidents for temporary workers, occupational illnesses and people with disabilities is collected using the Enablon tool.
- Indicators concerning people with disabilities are consolidated in Enablon, with data drawn from the DOETH forms (for declaring workers with disabilities in France) completed at the start of the reporting year.
- All environmental indicators are consolidated using Enablon. Emission factors are updated every year to allow the Group to establish its regulatory GHG emissions report (BEGES) and also allows establishments to obtain their own individual GHG emissions reports.

VERIFICATION OF QUANTITATIVE DATA

Sextant employment data is generated directly by payroll software, without human intervention.

Consistency checks were performed when the interface generating the indicators was developed, and the interface results were verified by the relevant HR departments. Consistency checks are nonetheless performed each time reports are prepared by the Sustainable Development and Transversal Innovation department and the teams in charge of Sextant.

Workplace accident statistics are approved by the divisions' risk prevention departments and checked by the Director of Labour Relations who establishes the Group statistics. Internal memos to each division set out the specific terms for reporting workplace accidents in Acciline and for international subsidiaries.

The other data consolidated in Enablon is entered by more than 580 contributors and approved by 380 referees across all divisions. Seven administrators supervise data entry and consistency checks.

Qualitative data

Qualitative data is provided by the relevant divisions and central departments. It is consolidated by the Sustainable Development and Transversal Innovation department, which selects and formats the information. The final draft is submitted for approval before publication to the correspondents in each division and to General Management.

Cross-reference table comparing the principles of the Global Compact and Eiffage data

Principles of the Global Compact			Eiffage response	Pages
Human Rights	1	Businesses should support and respect the protection of internationally proclaimed human rights	**Values and ethics**	150
			Developing human capital / Employment – Labour relations – Health and safety – Training – Equal opportunities	167
			Ethics & Commitments Guide	Website
	2	Businesses should make sure that they are not complicit in human rights abuses	**Values and ethics**	150
			Ethics & Commitments Guide	Website
Labour	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	**Values and ethics**	150
			Developing human capital / Labour relations	167
			Ethics & Commitments Guide	Website
	4	Businesses should uphold the elimination of all forms of forced and compulsory labour	**Values and ethics**	150
			Ethics & Commitments Guide	Website
	5	Businesses should uphold the effective abolition of child labour	**Values and ethics**	150
			Ethics & Commitments Guide	Website
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	**Values and ethics**	150
			Developing human capital / Employment – Equal opportunities	167
			Ethics & Commitments Guide	Website
Environment	7	Businesses should support a precautionary approach to environmental challenges	**Values and ethics**	150
			Reducing the environmental impact / Spreading the environmental risk management culture – A reveiwed and supported biodiversity strategy – Preserving resources and contributing to the circular economy	176
			Ethics & Commitments Guide	Website
	8	Businesses should undertake initiatives to promote greater environmental responsibility	**Reducing the environmental impact** / Spreading the environmental risk management culture – A reveiwed and supported biodiversity strategy – Preserving resources and contributing to the circular economy	176
			Regional development and stakeholder relations	187
			Ethics & Commitments Guide	Website
	9	Businesses should encourage the development and diffusion of environmentally friendly technologies	**Reducing the environmental impact** / Spreading the environmental risk management culture – A reveiwed and supported biodiversity strategy – Preserving resources and contributing to the circular economy	176
			Ethics & Commitments Guide	Website
Anti-corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery	**Regional development and stakeholder relations** / Commitment to fair and responsible business conduct	187
			Ethics & Commitments Guide	Website
			Directors' report	125-139

Statutory Auditors' report

Eiffage S.A.
Registered office: 3-7 place de l'Europe, 78140 Vélizy Villacoublay, France

Report by the independent third party on the consolidated non-financial performance statement presented in the Directors' report

For the year ended 31 December 2018

To the Shareholders,

In our capacity as independent third party of your Company (hereinafter "the entity"), certified by the French national accreditation body Cofrac under the number 3-1049[1] and a member firm of the KPMG International network, one of the Statutory Auditors of the company Eiffage, we hereby present our report on the consolidated non-financial performance statement for the year ended 31 December 2018 (hereinafter "the Statement"), presented in the Directors' report, in accordance with the legal and regulatory provisions of articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

It is the responsibility of the Board of Directors to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies put in place to address these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared by applying the procedures of the entity, (hereinafter "the Guidelines"), the most significant aspects of which are presented in the Statement and available on request at the entity's registered office.

Independence and quality control

Our independence is defined by the provisions of article L.822-11-3 of the French Commercial Code and the code of ethics of our profession in France. Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with ethical standards, professional standards, and applicable laws and regulations.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:
- the Statement complies with the provisions of article R.225-105 of the French Commercial Code;
- the information provided (hereinafter "the Information") is fairly presented in accordance with article R.225-105, I (para 3) and II of the French Commercial Code concerning policy outcomes, including key performance indicators and actions relating to the main risks.

However, it is not our responsibility to express an opinion on:
- the entity's compliance with any other applicable legal and regulatory provisions relating, in particular, to the duty of care plan and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulatory provisions.

Nature and scope of the work

We performed our work described below in compliance with article A.225-1 *et seq.* of the French Commercial Code, which defines the conditions under which the independent third party performs its engagement, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*, CNCC) relating to the present engagement and the international assurance standard ISAE 3000 ("Assurance engagements other than audits or reviews of historical financial information").

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:
- We gained an understanding of the activity of all consolidated companies, the exposure to the main social and environmental risks relating to this activity and its impact on the respect of human rights, the fight against corruption and tax evasion, including any related policies and their outcomes.
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, industry best practices.
- We verified that the Statement covers every category of information required under article L.225-102-1, III of the French Commercial Code concerning social and environmental matters as well as the respect of human rights and the fight against corruption and tax evasion.
- We verified that the Statement presents the business model and the main risks relating to the activity of all consolidated companies including, where relevant and proportionate, any risks arising from their business relationships, products or services, as well as the policies, actions and outcomes, including key performance indicators.
- We verified that the Statement presents the disclosures required under article R.225-105, II where relevant given the main risks or policies presented.
- We obtained an understanding of the process for selecting and validating the main risks.
- We enquired about the existence of internal control and risk management procedures implemented by the entity.

(1) Details of the scope of certification are available on www.cofrac.fr.

- We assessed the consistency of the reviewed outcomes and key performance indicators with the main risks and policies presented.
- We verified that the Statement covers all companies in the consolidation scope in accordance with article L.233-16, within the limits specified in the Statement.
- We assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the Information.
- For the key performance indicators and other quantitative outcomes(2) that we considered the most important, we set up:
  - analytical procedures to verify that data collected is correctly consolidated and any changes to the data are consistent;
  - detailed tests based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. This work was carried out with a selection of entities contributing to the reported data(3) and represents between 13% and 100% of consolidated data of key performance indicators and outcomes selected for these tests.
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and outcomes) that we deemed the most important.(4)
- We assessed the overall consistency of the Statement based on our understanding of the entity and all its consolidated companies.

We believe that the procedures we carried out, based on our professional judgement, are sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work drew on the expertise of six people and was carried out between November 2018 and April 2019 over a total of around 15 weeks.
To assist us with our work, we called on sustainability and social responsibility specialists from our firm. We conducted around 60 interviews with the individuals responsible for preparing the Statement.

Conclusion

Based on our work, we have not identified any material misstatements that would call into question the assessment that the Statement is in compliance with the applicable regulatory provisions, and that the Information, taken as a whole, is presented fairly, in accordance with the Guidelines.

Paris La Défense, 2 April 2019
KPMG S.A.

Anne Garans
Partner
Sustainability Services

Baudouin Griton
Partner

(2) Total headcount (unlimited and fixed-term contracts) at 31 December, Number of new recruits (unlimited and fixed-term contracts), Number of redundancies and dismissals (unlimited contracts), Absenteeism rate, Total hours of training, Lost-time workplace accident frequency rate, Severity rate, Number of employees with a disability, Percentage of ISO 14001-certified revenue, Scope 1 and 2 greenhouse gas emissions, Electricity consumption, Natural gas consumption, Fuel consumption, Total water consumption, Recycling and reuse rates for inert waste.

(3) Workforce-related indicators: Eiffage Energie Île-de-France, Eiffage Construction Picardie, Eiffage Génie Civil, Eiffage Route Centre-Est (France); Defor (Poland); Eiffage Energia (Spain); Heinrich Walter Bau (Germany).

Environmental indicators: Eiffage Energie Île-de-France Ferrières en Brie – Eclairage Public, Eiffage Construction Oise, APRR Paris, APRR Rhône, Société Enrobés Méditerranéens, Bocahut – Haut-Lieu, Forézienne d'Entreprises – Agence Massif Central Poitou-Charentes, Forézienne d'Entreprises – Agence Alpes-Savoie, Est Granulats – Gerstheim, Carrière Sauvaget – Echillais, Fougerolles Ballot Terrassement, Clemessy (France); Defor (Poland); Eiffage Energia, Eiffage Infraestructuras (Spain); Heinrich Walter Bau, Wittfeld (Germany); Herbosch-Kiere NV (Belgium); Eiffage Sénégal (Senegal).

(4) Policies for the management and development of skills, Measures to promote health, safety and well-being in the workplace, Systems for the management of environmental risks associated with business activities, Actions implemented to promote energy efficiency and in line with the low-carbon strategy, Circular economy initiatives, Measures to protect biodiversity, Policies in support of responsible purchasing and to protect human rights, Policies and actions implemented in the area of business ethics, Actions to protect the health and safety of users.

Consolidated financial statements

Consolidated statement of financial position

Assets

In millions of euros	Notes	31 December 2018	31 December 2017*
Non-current assets			
Property, plant and equipment	6.4	1,853	1,649
Investment property	6.4	3	3
Concession intangible assets	6.1	10,981	11,181
Goodwill	6.2	3,219	2,995
Other intangible assets	6.4	205	182
Equity-method investments	6.3	171	169
Non-current financial assets in respect of concession service arrangements	6.1; 8.1	1,621	1,680
Other non-current financial assets	6.4; 8.1; 8.6	518	189
Deferred tax assets	10.1; 10.2; 10.4	247	238
Total non-current assets		**18,818**	**18,286**
Current assets			
Inventories	6.6	740	683
Trade and other receivables	6.6	5,311	4,977
Current tax assets	10.1	170	206
Current financial assets in respect of concession service arrangements	6.1; 8.1	56	50
Other current assets	6.6	1,577	1,287
Cash and cash equivalents	8.1; 8.7	3,696	4,537
Assets classified as held for sale	3.3	-	-
Total current assets		**11,550**	**11,740**
Total assets		**30,368**	**30,026**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Notes 1 to 15 form an integral part of the consolidated financial statements.

Equity and liabilities

In millions of euros	Notes	31 December 2018	31 December 2017*
Equity			
Share capital	7.1	392	392
Consolidated reserves		3,867	3,509
All other comprehensive items of income		(132)	(159)
Profit for the year		629	548
Equity attributable to equity holders of the parent		**4,756**	**4,290**
Non-controlling interests	7.2	879	847
Total equity		**5,635**	**5,137**
Non-current liabilities			
Borrowings	8.1; 8.2; 8.3; 8.4	11,422	12,119
Deferred tax liabilities	10.1; 10.2; 10.4	854	881
Non-current provisions	9	656	625
Other non-current liabilities		153	150
Total non-current liabilities		**13,085**	**13,775**
Current liabilities			
Trade and other payables	6.6	3,720	3,278
Loans and other borrowings	8.1; 8.2; 8.3; 8.4	1,649	1,428
Non-current borrowings due within one year	8.1; 8.2; 8.3; 8.4	1,327	1,590
Current income tax liabilities	10.1	154	131
Current provisions	9	567	569
Other liabilities	6.6	4,231	4,118
Liabilities directly associated with assets classified as held for sale	3.3	-	-
Total current liabilities		**11,648**	**11,114**
Total equity and liabilities		**30,368**	**30,026**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Notes 1 to 15 form an integral part of the consolidated financial statements.

Consolidated income statement

In millions of euros	Notes	31 December 2018	31 December 2017*
Operating income(1)	5.1	16,890	15,368
Other operating income		5	5
Raw materials and consumables used		(3,022)	(2,803)
Employee benefits expense	5.2.1	(3,571)	(3,287)
Other operating expenses		(7,099)	(6,182)
Taxes (other than income tax)		(479)	(460)
Depreciation and amortisation	5.2.2	(864)	(836)
Net increase (decrease) in provisions		(73)	(100)
Change in inventories of finished goods and work in progress		(22)	(35)
Other operating income on ordinary activities	5.2.3	92	62
Operating profit on ordinary activities	**4.1; 5.2**	**1,857**	**1,732**
Other income (expenses) from operations	5.3	(51)	(56)
Operating profit	**4.1**	**1,806**	**1,676**
Income from cash and cash equivalents		13	16
Finance costs		(379)	(506)
Net finance costs	**8.5**	**(366)**	**(490)**
Other financial income (expenses)	8.5	(23)	(20)
Share of profit (loss) of equity-method investments	6.3	9	5
Income tax	10.3	(461)	(336)
Net profit		**965**	**835**
– Attributable to equity holders of the parent		629	548
– Attributable to non-controlling interests	7.2	336	287

Earnings per share attributable to the equity holders of the parent (in euros):			
Basic earnings per share	7.4	6.49	5.76
Diluted earnings per share	7.4	6.41	5.63

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Net profit attributable to equity holders of the parent before deferred tax adjustments(2)	**629**	**515**
Diluted earnings per share before deferred tax adjustments (in euros)	6.41	5.28
(1) Of which construction revenue of concessions (Ifric 12):	311	313

(2) Non-recurring adjustments to deferred tax assets due to the decrease in the French corporate tax rate amounted to €33 million in 2017.

Notes 1 to 15 form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

In millions of euros	Notes	31 December 2018	31 December 2017*
Net profit		**965**	**835**
Items that will not be subsequently reclassified to profit or loss			
Actuarial gains (losses) on defined benefit plans	9.3	4	(9)
Remeasurement of financial assets		16	-
Tax on items that will not be subsequently reclassified to profit or loss		(7)	3
Share of gains (losses) of equity-method investments that will not be subsequently reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		(1)	3
Remeasurement of derivative financial instruments designated as hedges(1)	8.3	58	193
Tax on items that may be subsequently reclassified to profit or loss		(23)	(66)
Share of gains and losses of equity-method investments that may be subsequently reclassified to profit or loss		(2)	9
Items of other comprehensive income		**45**	**133**
Comprehensive income		**1,010**	**968**
– Attributable to equity holders of the parent		656	626
– Attributable to non-controlling interests		354	342
(1) Of which amount reclassified to profit or loss for the year		(105)	(198)

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Notes 1 to 15 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

In millions of euros	Share capital	Share premium	Reserves	Currency translation difference	Financial instruments	Remeasurement of financial assets	Employee benefits	Attributable to equity holders of the parent	Attributable to non-controlling interests	Total equity
Equity at 1 January 2017*	**392**	**566**	**2,923**	**2**	**(195)**	**–**	**(44)**	**3,644**	**623**	**4,267**
Capital increase/reduction	–	3	–	–	–	–	–	3	1	4
Treasury shares	–	–	141	–	–	–	–	141	–	141
Share-based payments	–	–	10	–	–	–	–	10	–	10
Dividends	–	–	(144)	–	–	–	–	(144)	(121)	(265)
Acquisitions and other changes in non-controlling interests	–	–	10	–	–	–	–	10	2	12
Transactions with shareholders	**–**	**3**	**17**	**–**	**–**	**–**	**–**	**20**	**(118)**	**(98)**
Profit for the year	–	–	548	–	–	–	–	548	287	835
Items of other comprehensive income	–	–	–	3	81	–	(6)	78	55	133
Comprehensive income	**–**	**–**	**548**	**3**	**81**	**–**	**(6)**	**626**	**342**	**968**
Equity at 31 December 2017*	**392**	**569**	**3,488**	**5**	**(114)**	**–**	**(50)**	**4,290**	**847**	**5,137**
Capital increase/reduction	–	(7)	–	–	–	–	–	(7)	1	(6)
Treasury shares	–	–	(3)	–	–	–	–	(3)	–	(3)
Share-based payments	–	–	17	–	–	–	–	17	–	17
Dividends	–	–	(197)	–	–	–	–	(197)	(322)	(519)
Acquisitions and other changes in non-controlling interests	–	–	–	–	–	–	–	–	(1)	(1)
Transactions with shareholders	**–**	**(7)**	**(183)**	**–**	**–**	**–**	**–**	**(190)**	**(322)**	**(512)**
Profit for the year	–	–	629	–	–	–	–	629	336	965
Items of other comprehensive income	–	–	–	(1)	13	11	4	27	18	45
Comprehensive income	**–**	**–**	**629**	**(1)**	**13**	**11**	**4**	**656**	**354**	**1,010**
Equity at 31 December 2018	**392**	**562**	**3,934**	**4**	**(101)**	**11**	**(46)**	**4,756**	**879**	**5,635**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Notes 1 to 15 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

In millions of euros	Notes	2018	2017*
Cash and cash equivalents at 1 January	**8.7**	**4,391**	**4,319**
Currency effect		1	(1)
Restated cash and cash equivalents at 1 January		**4,392**	**4,318**
Net profit		965	835
Profit (loss) of equity-method investments	6.3	(9)	(5)
Dividends from equity-method investments	6.3	6	9
Depreciation and amortisation	5.2.2	775	754
Net increase in provisions		35	89
Other non-cash items		34	14
Gain (loss) on disposals		(6)	(17)
Cash flows from operations before interest and taxes		**1,800**	**1,679**
Net interest expense	8.5	341	473
Interest paid		(407)	(537)
Income tax expense	10.3	461	336
Income tax paid		(471)	(518)
Changes in working capital requirement	6.6	(125)	(99)
Net cash from operating activities (I)		**1,599**	**1,334**
Purchases of fixed assets	6.4	(318)	(304)
Purchases of intangible concession assets	6.1	(377)	(291)
Purchases of non-current financial assets	6.1	(30)	(194)
Disposals and reductions of fixed assets		118	190
Net operating investments		**(607)**	**(599)**
Purchases of controlling interests(1)		(610)	(59)
Disposals of controlling interests and assets held for sale		2	10
Cash and cash equivalents of entities bought or sold		57	50
Net financial investments	**3.2**	**(551)**	**1**
Net cash used in investing activities (II)		**(1,158)**	**(598)**
Dividends paid to shareholders		(519)	(265)
Capital increase		144	161
Purchases/disposals of non-controlling interests		(9)	(4)
Repurchase and resale of treasury shares	7.1	(153)	(15)
Repayments of borrowings	8.4	(2,487)	(2,248)
New borrowings	8.4	1,764	1,708
Net cash from (used in) financing activities (III)		**(1,260)**	**(663)**
Net increase in cash and cash equivalents (I + II + III)		**(819)**	**73**
Cash and cash equivalents at 31 December	**8.7**	**3,573**	**4,391**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

(1) Of which an investment of €308 million in 2018 relates to the acquisition of Getlink shares.

Notes 1 to 15 form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

(In millions of euros unless otherwise indicated)

1. General information

The registered office of the Eiffage Group is located at 3-7 place de l'Europe, 78140 Vélizy-Villacoublay, France.

The shares of Eiffage SA are listed in Compartment A of the Euronext market in Paris.

On average, the Group employed 69,890 people in 2018 compared with 64,035 people in 2017.

The consolidated financial statements for the year ended 31 December 2018 were approved by the Board of Directors on 27 February 2019 and will be submitted for shareholder approval at the general meeting to be held on 24 April 2019.

Significant events in 2018

Eiffage SA cancelled 1,937,350 treasury shares and carried out a capital increase reserved for the Group's employees in France and around the world, which resulted in the issue of 1,933,584 shares with a nominal value of €4 each. Following these transactions, the share capital of Eiffage SA amounted to €392,000,000.

The Eiffage Group continued its international expansion:

Eiffage Énergie Systèmes acquired a 51% stake in Kropman, a leading Dutch electrical engineering group with revenue of €153 million in 2017.

Eiffage Construction acquired Priora AG, a leading construction company in German-speaking Switzerland with revenue of around €340 million in 2017.

In France, after purchases on the market, Eiffage now holds a 5.03% stake in Eurotunnel SE (Getlink), the concession operator for the Channel Tunnel until 2086, with the intention of remaining a long-term investor. Eiffage may decide to purchase additional shares subject to market conditions.

Events since the balance sheet date

On 28 January 2019, in line with the memorandum of understanding signed in September 2018, Eiffage finalised the acquisition of the Meccoli group, specialising in the installation, maintenance and replacement of railway tracks and overhead power lines. The Meccoli group has nearly 500 employees and generates annual revenue of almost €100 million.

With this new acquisition, Eiffage reaffirms its presence in the railway infrastructure market both in France and internationally and further strengthens its position as a recognised player in this sector.

2. Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2.1 Material accounting estimates and judgements

When preparing the consolidated financial statements in accordance with International Financial Reporting Standards, General Management relies on estimates and assumptions that affect the amounts of assets and liabilities reported in the statement of financial position, contingent liabilities reported in the notes, and income and expenses reported in the income statement. These estimates and assumptions are based on past experience and on various other factors, taking into account the current economic and financial climate. Actual amounts may later be revealed to be different from those reached using the assumptions and estimates that were made in preparing the financial statements.

Estimates and assumptions mainly involve:

- the stage of completion of construction contracts and the measurement of profit on completion (trade receivables on the asset side of the statement of financial position, other payables on the liability side, and revenue in the income statement) (see Note 5.1 "Operating income"). Estimates and assumptions regarding the stage of completion and the measurement of profit on completion are reviewed regularly on a contract-by-contract basis, with reference to the information that is available, taking into account technical and contractual constraints specific to each contract. Past costs, future costs and any guarantee costs are analysed, their measurement being based on the best estimate of costs that will be incurred to fulfil the Group's contractual obligations;
- provisions (see Note 9 "Provisions"), especially provisions for maintaining the condition of concession assets, for which calculations are based on the application of discount rates and indexation clauses contained in works contracts;
- the valuation of share-based payments (see Note 5.2.1 "Employee benefits"), which relies on actuarial assumptions (volatility, interest rates, dividend growth);
- employee benefit calculations, which rely on assumptions (discount rate, inflation, rate of increase in wages and salaries) (see Note 9.3 "Lump sums paid on retirement");
- impairment tests: key assumptions used to determine recoverable amounts (model and discount rate) (see Note 6.2 "Goodwill");
- the recoverability of deferred tax assets (see Note 10 "Income tax").

2.2 Treatment of currency effects

The consolidated financial statements are prepared in euros, the functional and presentation currency of Eiffage SA, the Group's parent company. The accounts are presented in millions of euros.

The individual financial statements of entities or establishments whose functional currency is not the euro are prepared in the local currency. The financial statements are translated into the Group's presentation currency, i.e. the euro, at the exchange rate prevailing at the year-end in the case of the statement of financial position and at the weighted average monthly exchange rate in the case of the income statement and the statement of cash flows. Using the average monthly exchange rate ensures a value close to the exchange rate on the transaction date in the absence of significant exchange rate fluctuations. Currency differences arising from these translations are recognised as items of other comprehensive income in the statement of comprehensive income.

Foreign currency transactions are converted into the respective functional currencies of the Group's entities applying the exchange rate prevailing on the date of the transactions. At the end of the reporting period, monetary assets and liabilities in a foreign currency are converted into the functional currency by applying the exchange rate prevailing on that date. Translation gains and losses resulting from the conversion of monetary items correspond to the difference between amortised cost in the functional currency at the opening of the reporting period, adjusted for the impact of applying the effective interest rate and payments during the period, and amortised cost in the foreign currency converted at the exchange rate prevailing at the end of the reporting period.

Non-monetary assets and liabilities measured at fair value in a foreign currency are converted into the functional currency by applying the exchange rate prevailing on the date of determination of the item's fair value. Non-monetary items in a foreign currency that are carried at historical cost are measured by applying the exchange rate prevailing on the date of the transaction.

As a rule, translation gains and losses are recognised in profit or loss.

As an exception, translation differences arising on the following items are recognised as items of other comprehensive income in the statement of comprehensive income:

- Equity instruments available for sale (except in the event of an impairment, when translation differences are reclassified from items of other comprehensive income to profit or loss)
- Financial liabilities designated as a hedge of a net investment in a foreign operation, to the extent the hedging relationship is effective
- Instruments designated as cash flow hedges, for the effective portion

2.3 Changes to IFRS up to the balance sheet date

The following new and amended standards and interpretations adopted by the European Union were applied with effect from 1 January 2018:

- IFRS 15 "Revenue from Contracts with Customers"
- IFRS 9 "Financial Instruments"
- Ifric 22 "Foreign Currency Transactions and Advance Consideration"
- Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"
- Amendments to IAS 40 "Transfers of Investment Property"
- Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"
- Annual Improvements 2014-2016

The Group has applied **IFRS 15 "Revenue from Contracts with Customers"** taking the full retrospective approach to the first comparative period presented, i.e. from 1 January 2017. The impact on the opening statement of financial position, the income statement and the statement of cash flows for the comparative period are presented in the pro forma financial information in Note 2.4.

The accounting methods used in the contracting businesses for the recognition of revenue generated from contracts with customers and the contract outcome have not changed:

➔ Each contract usually involves a single performance obligation.
➔ The determination of the stage of completion, based on the completion of a physical proportion of the contract work or as a proportion of contract costs, reflects the gradual transfer of control to the customer.

The main changes to the consolidated financial statements relate to:

➔ the property development business, in particular with land taken into account in the determination of the stage of completion for revenue recognition upon the signing of the notarial deed. As regards 2017, the application of IFRS 15 has increased pro forma revenue by €118 million, with a non-material impact on equity at 1 January and 31 December 2017;
➔ long-term public-private partnership contracts, with revenue in respect of major maintenance and repairs now recognised as the work is performed rather than on the basis of the invoices raised as previously; on the other hand, provisions are no longer recognised. For 2017, a revenue reduction of €12 million has been recognised without any impact on net profit.

Furthermore, order book information is now presented in the notes to the consolidated financial statements. In comparison with the non-accounting information reported previously, the order book has been adjusted as follows:

➔ For property development, it is increased by €0.7 billion in respect of 2017 corresponding to the notarial deeds, which were not taken into account before.
➔ For concessions, it is increased by €1.1 billion at 31 December 2017 corresponding to operation and maintenance services awarded under long-term public-private partnership contracts, including major maintenance and repair work over the entire term of the contract, which were previously not taken into account.
➔ For contracting, it is reduced by €0.8 billion in respect of 2017, particularly to reflect adjustments regarding:
  - staggered contracts under a standing arrangement, which were previously included on the basis of a best estimate rather than a valuation;
  - conditional tranches of signed contracts, which until now were included when it was highly likely they would be executed;
  - unconfirmed portions of design-build contracts, which until now were included when it was highly likely they would be executed.

Concerning **IFRS 9 "Financial Instruments"**, the new models for the classification of financial assets introduced by the standard (amortised cost – fair value through other comprehensive income – fair value through profit or loss) do not have any material impact on the consolidated financial statements. The Group's portfolio of financial assets was reviewed to determine the appropriate classifications under IFRS 9: loans and receivables, including financial assets in respect of concession service arrangements, and have been classified as financial assets measured at amortised cost. Equity instruments, which were included in available-for-sale financial assets under IAS 39, have been classified as financial assets measured at fair value through profit or loss or, using the option taken at initial recognition, as financial assets measured at fair value through other comprehensive income. They continue to be included in the statement of financial position under "Other non-current financial assets".

IFRS 9 also amends the rules for the impairment of financial assets, imposing a model taking into account the expected credit losses. This change has a non-material impact on the impairment of the Group's trade receivables.

For financial liabilities, when debt refinancing is analysed for accounting purposes as the continuation of an earlier debt, the difference in cash flow before and after renegotiation must be recognised in profit or loss at the renegotiation date; the interest charge for future years is recognised at the original interest rate. Existing balance sheet liabilities at 31 December 2017 were analysed to determine the treatment for refinancing transactions having taken place since the arrangement of the original line of credit.

The initial application of IFRS 9 has no impact on the Group, since the analysis carried out with respect to the new provisions of IFRS 9 confirmed the treatment of all refinancing transactions prior to 1 January 2018 as extinguishments of debt.

The Group continues to apply the rules relating to hedge accounting set out in IAS 39, in accordance with the option offered by IFRS 9 for the 2018 financial statements.

The following standards and interpretations adopted by the European Union that will be effective for financial periods beginning on or after 1 January 2019 have not been applied prospectively for the preparation of these financial statements:

- IFRS 16 "Leases"
- Ifric 23 "Uncertainty over Income Tax Treatments"

IFRS 16 introduces a single lessee accounting model. The new standard requires that all leases be recognised on the statement of financial position in the form of a lease liability corresponding to the obligation to make payments and a lease asset reflecting the right to use the underlying asset.

The amortisation of the right of use and the interest on the lease liability are to be recognised on the income statement in place of the lease expense.

All finance and operating leases were listed in 2018 at the level of the Group's subsidiaries. This information was used to extrapolate the initial impact of the application of this new standard on the basis of assumptions that are currently under analysis. The lease database is currently being updated so as to perform the definitive calculations for the application of IFRS 16 from 1 January 2019.

IFRS 16 will be applied by the Group using the simplified retrospective method. This means that there will be no adjustment of comparative periods presented and the cumulative impact of the initial application will be shown as an adjustment to opening equity.

2.4 Summary of impacts of the change in accounting policy following the application of IFRS 15

Statement of financial position

In millions of euros	1 January 2017			31 December 2017		
Assets	**Reported**	**IFRS 15**	**Restated**	**Reported**	**IFRS 15**	**Restated**
Non-current assets						
Property, plant and equipment	1,585	–	1,585	1,649	–	1,649
Investment property	4	–	4	3	–	3
Concession intangible assets	11,408	–	11,408	11,181	–	11,181
Goodwill	2,945	–	2,945	2,995	–	2,995
Other intangible assets	175	–	175	182	–	182
Equity-method investments	144	1	145	168	1	169
Non-current financial assets in respect of concession service arrangements	1,886	–	1,886	1,680	–	1,680
Other non-current financial assets	219	–	219	189	–	189
Deferred tax assets	274	(1)	273	240	(2)	238
Total non-current assets	**18,640**	**–**	**18,640**	**18,287**	**(1)**	**18,286**
Current assets						
Inventories	728	20	748	777	(94)	683
Trade and other receivables	4,292	–	4,292	4,977	–	4,977
Current tax assets	174	–	174	206	–	206
Current financial assets in respect of concession service arrangements	19	–	19	50	–	50
Other current assets	1,184	2	1,186	1,286	1	1,287
Cash and cash equivalents	4,466	–	4,466	4,537	–	4,537
Total current assets	**10,863**	**22**	**10,885**	**11,833**	**(93)**	**11,740**
Total assets	**29,503**	**22**	**29,525**	**30,120**	**(94)**	**30,026**

Equity and liabilities	Reported	IFRS 15	Restated	Reported	IFRS 15	Restated
Share capital	392	–	392	392	–	392
Consolidated reserves	3,012	2	3,014	3,507	2	3,509
All other comprehensive income items	(237)	–	(237)	(159)	–	(159)
Profit for the year	475	–	475	545	3	548
Equity attributable to equity holders of the parent	**3,642**	**2**	**3,644**	**4,285**	**5**	**4,290**
Non-controlling interests	623	–	623	847	–	847
Total equity	**4,265**	**2**	**4,267**	**5,132**	**5**	**5,137**
Non-current liabilities						
Borrowings	12,706	–	12,706	12,119	–	12,119
Deferred tax liabilities	984	–	984	881	–	881
Non-current provisions	583	–	583	625	–	625
Other non-current liabilities	93	53	146	84	66	150
Total non-current liabilities	**14,366**	**53**	**14,419**	**13,709**	**66**	**13,775**
Current liabilities						
Trade and other payables	3,041	(6)	3,035	3,289	(11)	3,278
Loans and other borrowings	1,685	–	1,685	1,428	–	1,428
Non-current borrowings due within one year	1,716	–	1,716	1,590	–	1,590
Current income tax liabilities	144	–	144	131	–	131
Current provisions	573	(48)	525	625	(56)	569
Other liabilities	3,713	21	3,734	4,216	(98)	4,118
Total current liabilities	**10,872**	**(33)**	**10,839**	**11,279**	**(165)**	**11,114**
Total equity and liabilities	**29,503**	**22**	**29,525**	**30,120**	**(94)**	**30,026**

Income statement

In millions of euros	31 December 2017		
	Reported	**IFRS 15**	**Restated**
Operating income	15,263	105	15,368
Other operating income	5	–	5
Raw materials and consumables used	(2,803)	–	(2,803)
Employee benefits expense	(3,287)	–	(3,287)
Other operating expenses	(6,186)	4	(6,182)
Taxes (other than income tax)	(460)	–	(460)
Depreciation and amortisation	(836)	–	(836)
Net increase (decrease) in provisions	(109)	9	(100)
Change in inventories of finished goods and work in progress	80	(115)	(35)
Other operating income on ordinary activities	62	–	62
Operating profit on ordinary activities	**1,729**	**3**	**1,732**
Other income (expenses) from operations	(56)	–	(56)
Operating profit	**1,673**	**3**	**1,676**
Income from cash and cash equivalents	16	–	16
Finance costs	(506)	–	(506)
Net finance costs	**(490)**	**–**	**(490)**
Other financial income (expenses)	(20)	–	(20)
Share of profit (loss) of equity-method investments	4	1	5
Income tax	(335)	(1)	(336)
Net profit	**832**	**3**	**835**
– Attributable to equity holders of the parent	545	3	548
– Attributable to non-controlling interests	287	–	287
Net profit attributable to equity holders of the parent before deferred tax adjustments	**512**	**3**	**515**

Statement of comprehensive income

In millions of euros	31 December 2017		
	Reported	**IFRS 15**	**Restated**
Net profit	**832**	**3**	**835**
Items that will not be subsequently reclassified to profit or loss			
Actuarial gains (losses) on defined benefit plans	(9)	–	(9)
Tax on items that will not be subsequently reclassified to profit or loss	3	–	3
Share of gains (losses) of equity-method investments that will not be subsequently reclassified to profit or loss	–	–	–
Items that may be reclassified subsequently to profit or loss			
Currency translation differences	3	–	3
Remeasurement of derivative financial instruments designated as hedges	193	–	193
Tax on items that may be subsequently reclassified to profit or loss	(66)	–	(66)
Share of gains (losses) of equity-method investments that may be subsequently reclassified to profit or loss	9	–	9
Items of other comprehensive income	**133**	**–**	**133**
Comprehensive income	**965**	**3**	**968**
– Attributable to equity holders of the parent	623	3	626
– Attributable to non-controlling interests	342	–	342

Statement of cash flows

In millions of euros	31 December 2017		
	Reported	IFRS 15	Restated
Cash and cash equivalents at 1 January	**4,319**	**–**	**4,319**
Currency effect	(1)	–	(1)
Restated cash and cash equivalents at 1 January	**4,318**	**–**	**4,318**
Net profit	832	3	835
Profit (loss) of equity-method investments	(4)	(1)	(5)
Dividends from equity-method investments	9	–	9
Depreciation and amortisation	754	–	754
Net increase (decrease) in provisions	97	(8)	89
Other non-cash items	14	–	14
Gain (loss) on disposals	(17)	–	(17)
Cash flows from operations before interest and taxes	**1,685**	**(6)**	**1,679**
Net interest expense	473	–	473
Interest paid	(537)	–	(537)
Income tax expense	335	1	336
Income tax paid	(518)	–	(518)
Changes in working capital requirement	(104)	5	(99)
Net cash from operating activities (I)	**1,334**	**–**	**1,334**
Purchases of fixed assets	(304)	–	(304)
Purchases of concession intangible assets	(291)	–	(291)
Purchases of non-current financial assets	(194)	–	(194)
Disposals and reductions of fixed assets	190	–	190
Net operating investments	**(599)**	**–**	**(599)**
Purchases of controlling interests	(59)	–	(59)
Disposals of controlling interests and assets held for sale	10	–	10
Cash and cash equivalents of entities bought or sold	50	–	50
Net financial investments	**1**	**–**	**1**
Net cash used in investing activities (II)	**(598)**	**–**	**(598)**
Dividends paid to shareholders	(265)	–	(265)
Capital increase	161	–	161
Purchases/disposals of non-controlling interests	(4)	–	(4)
Repurchase and resale of treasury shares	(15)	–	(15)
Repayments of borrowings	(2,248)	–	(2,248)
New borrowings	1,708	–	1,708
Net cash from (used in) financing activities (III)	**(663)**	**–**	**(663)**
Net increase in cash and cash equivalents (I + II + III)	**73**	**–**	**73**
Cash and cash equivalents at 31 December	**4,391**	**–**	**4,391**

3. Scope of consolidation

Accounting policies

Pursuant to IFRS 10 "Consolidated Financial Statements", entities controlled directly or indirectly by Eiffage SA are consolidated under the full consolidation method.

Control is established if Eiffage SA satisfies all the following elements:
- Substantive rights enabling it to direct the key activities of the investee
- Exposure to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect the amount of the variable returns

For each company held directly or indirectly, it is assessed whether or not the Group controls the investee in light of all relevant facts and circumstances.

IFRS 11 "Joint Arrangements" sets out the accounting treatment to be applied when two or more parties have joint control of an investee. Joint control is established if decisions relating to relevant activities require the shareholders' unanimous agreement.

A joint arrangement falls into one of two categories, generally dependent on the legal form of the investee:
- Joint ventures: parties that have joint control of the arrangement have rights to its net assets and are consolidated using the equity method.
- Joint operations: parties that have joint control of the arrangement have direct rights to the assets and direct obligations for the liabilities of the arrangement, the joint operator recognising its share of the assets, liabilities, revenue and expenses of the joint operation.

Most of the joint arrangements to which the Infrastructure division is party are through joint-venture companies that, given their characteristics, fall into the category of joint operations.

As required by IAS 28 (revised), entities over which Eiffage SA exercises significant influence are consolidated using the equity method.

The results of consolidated companies acquired or sold during the year are included in the consolidated financial statements, as from the date of acquisition in the first case or until the date of disposal in the second.

Business combinations are accounted for by applying the acquisition method when the Group obtains control. The purchase consideration transferred to the acquiree is measured at fair value in the same way as the net identifiable assets that have been acquired. Any goodwill arising from a business combination is tested for impairment each year. Any gains resulting from a bargain purchase are recognised immediately in profit or loss as a component of operating profit. Acquisition costs are recognised in profit or loss when incurred, unless they relate to the issue of debt or equity instruments.

Purchase consideration excludes any amounts relating to the settlement of pre-existing relationships, which as a rule are recognised in net profit.

Any contingent consideration to be paid is measured at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured subsequently and its settlement is accounted for in equity. On the other hand, any subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3.1 Consolidation of the APRR group

In connection with the privatisation of the French motorway network in 2006, Eiffage teamed up with a financial investor to complete the acquisition of the APRR group through Financière Eiffarie, a holding company.
Financière Eiffarie is majority-owned by Eiffage (50% of the capital plus one share).
- Eiffage is responsible for the operations of the investee.
- Both parties appoint the same number of representatives to the Board of Directors, with the Chairman (who is appointed by Eiffage) having the casting vote for decisions taken by a simple majority, including the following key activities: setting the annual budget and financing plan in accordance with the five-year contract-based plan.
- The right of veto exercisable by the financial partner with regard to certain decisions further to the shareholders' agreement is a protective right only, inasmuch as:
  - ➔ negotiations of the five-year contract plan are led by APRR's executives, who are appointed by Eiffage;
  - ➔ the annual budget is prepared and approved by Eiffage alone, with what are considered as very significant variances being tolerated in relation to the business plan;
  - ➔ for the execution of this budget, APRR's cost structure, which

significantly influences variable returns, is the responsibility of Eiffage;
- → the thresholds requiring unanimous decisions, which are high compared with the past, do not form part of the usual activities or exist only to ensure compliance with competition regulations;
- → in the event of a persistent disagreement, the partner's rights are limited chiefly to triggering a liquidity guarantee by initiating an initial public offering.
- As the majority shareholder, Eiffage has exposure to the variable returns from its involvement in APRR and has power over APRR to affect the amount of variable returns.

Eiffage therefore fulfils each and every one of the three criteria determining control as set out in IFRS 10 in that it has power to direct the relevant activities of APRR, exposure to APRR's variable returns and the ability to affect the amount of these returns.

3.2 Changes in the scope of consolidation

In 2018, external growth transactions mainly involved the acquisitions of Priora AG in Switzerland within the Construction reporting segment, as well as Kropman in the Netherlands and EDG Ingeniería y Montajes in Spain within the Energy Systems reporting segment.

In addition, several quarries in the south of France were acquired at the end of the year within the Infrastructure reporting segment.

The following summary of the impact of changes in the scope of consolidation mainly reflects the contributions made by these new subsidiaries since their inclusion in the scope of consolidation as well as contributions made by companies consolidated for the first time in 2017, in particular Eiffage Génie Civil Marine (acquisition of Saipem's marine works).

Impact of changes in the scope of consolidation on the financial statements for the year ended 31 December 2018

Statement of financial position:
- Non-current assets €66 million increase
- Current assets €314 million increase
- Non-current liabilities €10 million increase
- Current liabilities €247 million increase

Income statement:
- Revenue €635 million increase
- Operating profit €22 million increase
- Net finance costs €6 million increase
- Net profit €24 million increase

The total cost of the acquisitions completed in 2018, net of disposals, was €602 million.

It includes the €308 million investment to acquire a 5.03% stake in Getlink.

3.3 Assets classified as held for sale and related liabilities

Accounting policies

Groups of assets whose disposal has been decided are presented separately on the asset and liability sides of the statement of financial position when their sale is considered to be both material and highly probable and is expected to be completed within one year from the end of the accounting period.

Assets classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

Any impairment losses in respect of a group of assets classified as held for sale are allocated first to goodwill, then to other assets and liabilities in proportion to their carrying amount except for inventories, financial assets, deferred tax assets, assets arising from employee benefits and investment properties, which continue to be measured in accordance with the Group's other applicable accounting policies. Impairment losses at the time of classification of an asset or group of assets and liabilities as held for sale as well as gains or losses on subsequent measurement are recognised in profit or loss.

After their classification as assets held for sale, intangible assets and property, plant and equipment are no longer depreciated, while investments previously accounted for by the equity method cease to be accounted for using this method.

At 31 December 2018, no disposal meeting the defined criteria had been decided.

4. Segment reporting

In accordance with IFRS 8, segment reporting is based on the Group's internal organisation for reporting to senior management. Accordingly, the operating segments are split as follows:
- Construction: urban development, building design and construction, property development, maintenance and facilities management
- Infrastructure: civil engineering, road and rail design and construction, drainage, earthworks and metallic construction
- Energy Systems: design, construction, integration, operation and maintenance of energy and telecommunication systems and installations
- Concessions: construction and operation of infrastructure under concession and public-private partnership (PPP) contracts
- Holding: management of equity interests and services provided to Group companies

4.1 Year ended 31 December 2018

Information by operating segment

	Construction	Infrastructure	Energy Systems	Concessions	Holding	Eliminations	Total
Income statement							
Gross operating income	4,001	5,638	4,044	3,191	16	–	16,890
Inter-segment sales	49	72	108	5	132	(366)	–
Operating income	**4,050**	**5,710**	**4,152**	**3,196**	**148**	**(366)**	**16,890**
Operating profit on ordinary activities	155	151	182	1,404	(35)	-	1,857
Operating profit	136	135	168	1,404	(37)	-	1,806

Information by geographical area

	France	Rest of Europe	Rest of the world
Operating income	12,981	3,389	520
Non-current assets	17,529	1,124	165

4.2 Year ended 31 December 2017

Information by operating segment*

	Construction	Infrastructure	Energy Systems	Concessions	Holding	Eliminations	Total
Income statement							
Gross operating income	3,876	4,724	3,720	3,038	10	-	15,368
Inter-segment sales	37	67	102	2	125	(333)	-
Operating income	**3,913**	**4,791**	**3,822**	**3,040**	**135**	**(333)**	**15,368**
Operating profit on ordinary activities	156	119	158	1,317	(18)	–	1,732
Operating profit	141	100	141	1,317	(23)	–	1,676

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Information by geographical area*

	France	Rest of Europe	Rest of the world
Operating income	12,446	2,676	246
Non-current assets	17,300	850	136

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

5. Information concerning the income statement

5.1 Operating income

Accounting policies

Revenue is recognised in accordance with IFRS 15 "Revenue from Contracts with Customers". Contracts with customers are analysed to determine their performance obligations, which are the unit of account for the recognition of revenue.

In the Eiffage Group's contracting business, contracts are recognised using the percentage of completion method because it accounts for the gradual transfer of control to the customer. In general, each contract involves a single performance obligation.

To measure the work performed on the contract, the Group uses the approach that is most suitable under the circumstances: a method based on physical progress towards completion in the case of the Construction and Infrastructure reporting segments and a cost-based method for the Energy Systems reporting segment.

For the property development operations, land is taken into account in the determination of the percentage of completion for the recognition of revenue and profit from the moment the notarial deed is signed.

When it is probable that total contract costs will exceed total contract revenue, a provision is immediately recognised for the expected loss, whatever the stage of completion.

These provisions are based on estimates drawn up individually for each contract, which may include amounts in respect of claims that have been filed when it is highly probable these amounts will be received and when they can be determined reliably.

Underlying assumptions are reviewed on an ongoing basis. The effects of changes in estimates are recognised in the period when the changes occurred.

Provisions for losses on completion are detailed in Note 9 "Provisions".

As regards concessions, revenue from concession intangible assets consists of the tolls paid by the infrastructure users during the operational phase, while revenue from financial assets arising from public-to-private service agreements consists of the remuneration earned on the financial receivable and of maintenance fees received.

Reconciliation of reported revenue and operating income

	31 December 2018	31 December 2017*
Revenue – Contracting	13,698	12,354
Revenue – Concessions	2,879	2,727
Reported revenue	**16,577**	**15,081**
Reported revenue per Ifric 12	311	313
Inter-segment revenue	(220)	(183)
Revenue from ancillary activities	222	157
Operating income	**16,890**	**15,368**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Financial information concerning construction contract assets and liabilities

Accounting policies

Contract assets correspond to the work performed and not yet invoiced, included under "Trade and other receivables" in the statement of financial position.

Contract liabilities consist of advances and payments on account received on orders as well as invoiced work that has yet to be performed, included under "Other current liabilities" and "Other non-current liabilities" in the statement of financial position.

			Movements	
	31 December 2018	31 December 2017*	Relating to operating activities	Changes in the scope of consolidation and other
Construction	414	348	14	52
Infrastructure	414	435	(22)	1
Energy Systems	605	515	75	15
Subtotal – Contract assets	**1,433**	**1,298**	**67**	**68**
Construction	852	897	(69)	24
Infrastructure	470	359	67	44
Energy Systems	510	487	12	11
Subtotal – Contract liabilities	**1,832**	**1,743**	**10**	**79**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

At 31 December 2018, contract assets amounted to €1,433 million, up 10.4% year on year.
Contract liabilities amounted to €1,832 million at 31 December 2018, up 5.1% year on year.

5.2 Operating profit on ordinary activities

Accounting policies

This refers to the operating profit generated by the ordinary activities planned and carried on by the Group's various businesses. This line includes all income generated and expenses incurred by these activities, including amortisation, depreciation and provisions but excluding other income and expenses from operations (see Note 5.3 below), all financial income and expenses, the share of profit of equity-method investments and income tax.

5.2.1 Employee benefits

Defined contribution plans

Accounting policies

Contributions to defined contribution plans are recognised as expenses in the income statement in the period when incurred.

Other commitments given to employees

Other than those detailed in Note 9 "Provisions", the Group gives no commitments to employees in respect of healthcare insurance and therefore has limited exposure to changes in medical expenses.

Lump sums paid on retirement

	31 December 2018	31 December 2017
A. Charge for the year recognised for accounting purposes		
Current service cost	17	17
Past service cost – Plan amendments	–	–
Past service cost – Plan curtailment	–	–
(Gain) loss on liquidations	–	–
Service cost	**17**	**17**
Net interest on provision (asset)	4	4
Cost of defined benefits recognised in profit or loss	**21**	**21**
Administrative expenses incurred during the year	–	–
Cost of termination benefits	–	–
Immediate recognition of (gains) losses	–	–
Charge for the year recognised for accounting purposes	**21**	**21**
B. Items of other comprehensive income		
Actuarial (gains) losses due to experience adjustments	(2)	4
Actuarial (gains) losses due to changes in actuarial assumptions	–	1
Actuarial (gains) losses recognised in other comprehensive income	**(2)**	**5**
(Higher) lower return on plan assets than that based on discounting	–	–
Effect of plan asset ceiling	–	–
Total (gain) loss recognised in other comprehensive income	**(2)**	**5**
C. Cost of defined benefits		
Recognised in profit and loss	21	21
Recognised in other comprehensive income	(2)	5
Cost of defined benefits	**19**	**26**

Share-based payments

Accounting policies

In accordance with IFRS 2 "Share-based Payment", the granting to employees of share purchase or subscription options or bonus share awards is treated as an increase in equity, with the offsetting debit entry to profit or loss under employee benefits expense.

The value of options and bonus shares is estimated at the grant date. The corresponding charge is spread over the vesting period.

Capital increases reserved for employees at a discount are analysed to determine any benefit that might result. The fair value of the benefit takes into account the five-year holding period for shares acquired under a Group savings plan.

Bonus share awards

Plan	4 July 2016	30 August 2017	25 April 2018
Number of shares awarded	234,030	285,505	291,150
Spot price of shares on grant date	€65.37	€82.93	€97.80
Expected volatility	24.17%	22.73%	21.96%
Interest rate	between –0.35% and –0.38%	between 0.03% and –0.31%	between 0.43% and –0.32%
Expected annual dividend	€1.50	€1.50	€1.50
Bonus shares at 1 January	**221,640**	**283,940**	**–**
Bonus shares in awards	–	–	291,150
Cancellation of rights	12,075	10,275	9,530
Bonus shares at 31 December	**209,565**	**273,665**	**281,620**

Characteristics of bonus share awards

At the end of a three-year vesting period, ownership of the shares is transferred to the beneficiaries on the condition that they are still employed by the Group.

The shares must then be held for at least one year under the plans set up in 2016 and 2017 and at least two years under the plan set up in 2018.

The charge recognised in respect of these plans is weighted to factor in the probability of the beneficiaries' continuing employment when the vesting period ends.

The final number of shares vested depends on the performance of the Eiffage share over the three years following the grant date. This performance is simulated using a Monte Carlo algorithm.

Share purchase options

Plan	24 February 2011	13 December 2012	26 February 2014	25 February 2015
Number of options granted	677,600	958,150	947,000	934,750
Option exercise price	€41.24	€29.00	€45.43	€46.41
Expiry date	09/03/18	13/12/19	26/02/21	25/02/22
Expected volatility	26.00%	29.63%	25.01%	26.24%
Risk-free rate on grant date	2.78%	1.15%	1.43%	0.45%
Expected annual dividend growth	0.00%	0.00%	0.00%	0.00%
Fair value of option on grant date	€7.79	€7.76	€9.61[1]	€9.41[1]
Options in issue at 1 January	**83,260**	**176,296**	**730,600**	**750,150**
Options granted	–	–	–	–
Options exercised	82,760	78,168	435,604	–
Options cancelled	500	1,000	8,000	58,450
Options outstanding at 31 December	**–**	**97,128**	**286,996**	**691,700**

(1) Fair value determined using the provisioning method at the grant date.

Characteristics of options plans

These options are subject to a vesting period of four years. All plans are subject to a condition that beneficiaries are still employed by the Group when their options vest. The valuation of all these plans is based on the Black and Scholes method.

The overall charge in respect of bonus share awards and share purchase option plans, included under "Employee benefits expense", is detailed below.

	31 December 2018	31 December 2017
Charge in respect of bonus share awards	15	6
Charge in respect of share subscription and purchase options	2	4
Total	**17**	**10**

5.2.2 Depreciation and amortisation charges

	31 December 2018	31 December 2017
Property, plant and equipment	288	278
Concession intangible assets	552	532
Other intangible assets[1]	24	31
Depreciation and amortisation – Income statement	**864**	**841**
Of which finance leases	89	87
Depreciation and amortisation – Statement of cash flows	**775**	**754**

(1) Of which €5 million reported under other income and expenses from operations in 2017.

5.2.3 Other operating income on ordinary activities

	31 December 2018	31 December 2017
Share of profits of joint ventures	8	28
Other income from property transactions	3	(1)
Depreciation of current assets	2	(10)
Profit on sale of equipment	11	10
Currency translation differences	2	8
Other	66	27
Total	**92**	**62**

5.3 Other income and expenses from operations

Accounting policies

Other income and expenses from operations correspond to items that arise as the result of a major event occurring during the accounting period, when failure to disclose these items separately might give a misleading view of the Group's performance. They therefore concern income and expenditure items that are exceptional and infrequent. They are disclosed on a separate line of the income statement so as not to distort operating profit on ordinary activities. These items may include gains or losses on disposals, significant and exceptional impairment losses relating to non-current assets, and certain restructuring charges or provisions in respect of liabilities or claims of a specific nature that are material in relation to the Group's ordinary activities.

	31 December 2018	31 December 2017
Risks of penalties and other risks	(4)	(3)
Restructuring	(42)	(47)
Proceeds from the sale of land, buildings and/or public-private partnership interests	(1)	1
Other	(4)	(7)
Total	**(51)**	**(56)**

6. Operating assets and liabilities

6.1 Concession intangible assets and non-current financial assets in respect of concession service arrangements

Accounting policies

In accordance with Ifric 12, the Group recognises:

- intangible assets representing the right to charge fees to the users of the public service. The fees received are contingent on the extent to which the public uses the service (motorways under concession, for instance). This right is measured at the fair value of the construction of the asset under concession, to which are added the borrowing costs capitalised during the construction phase. The right is amortised on a straight-line basis over the term of the service concession arrangement as from the date the asset under concession is brought into service to reflect the economic benefits expected to be procured by the arrangement. These assets are recognised on the asset side of the statement of financial position and in the statement of cash flows on a specific line, "Concession intangible assets";
- financial assets, when the operator has an unconditional contractual right to receive a specified or determinable amount of cash.

This right, arising from public-private partnership contracts, is recognised by recording in the statement of financial position a financial receivable measured initially at the fair value of the cash to be received. This receivable is recognised on the asset side of the statement of financial position under "Non-current financial assets in respect of concession service arrangements" or "Current financial assets in respect of concession service arrangements". Subsequently, this financial receivable is measured at amortised cost applying the effective interest rate method, payments made by the grantor being deducted against it. The revenue generated by the financial receivable is recognised as operating income.

Certain contracts may combine characteristics of both models. When this is the case, only the portion providing an unconditional contractual right to receive a specified or determinable amount of cash is recorded as a financial receivable, while the other portion, which corresponds to the right to charge fees to the user, is recorded as an intangible asset.

Property, plant and equipment not controlled by the grantor and required to operate the concession (buildings, toll equipment, service vehicles, etc.) are recognised as such and depreciated over their respective estimated useful life.

2018	Net value at 1 January 2018	Changes in the scope of consolidation and currency translation differences	Acquisi-tions	Disposals	Amortisation and depreciation	Net value at 31 December 2018	Gross value	Accumulated amortisation and depreciation
Concession intangible assets	11,181	1	367	(16)	(552)	10,981	21,295	(10,314)
Non-current financial assets in respect of concession service arrangements	1,680	(5)	13	(67)	–	1,621	1,621	–
Current financial assets in respect of concession service arrangements	50	6	–	–	–	56	56	–

Purchases of concession intangible assets reported in the statement of cash flows, amounting to €377 million in 2018, correspond to acquisitions totalling €367 million, adjusted for the change in amounts not paid at the year-end, amounting to €10 million.

Purchases of non-current financial assets reported in the statement of cash flows, amounting to €30 million in 2018, correspond to acquisitions of non-current financial assets in respect of concession service arrangements totalling €13 million, adjusted for the change in amounts not paid at the year-end, amounting to €17 million.

At 31 December 2018, concession intangible assets were carried mainly by APRR/AREA (€9,572 million), A'liénor (€915 million), CEVM (€339 million) and Senac (€99 million).

At 31 December 2018, current and non-current financial assets in respect of concession service arrangements corresponded mainly to the Bretagne–Pays de la Loire high-speed rail line (€1,078 million), the Lille Métropole stadium (€231 million) and the renovation of the Grande Arche de La Défense (€171 million).

With regard to concession contracts, the Group has firm investment commitments; the APRR group will be investing €698 million over the 2019-2023 period.

As a rule, companies party to concession or public-private partnership contracts and having arranged third-party financing for which recourse is limited to the assets of these companies (and which is therefore without recourse against Eiffage SA) have pledged their own shares in favour of the lenders in question. This pledge is generally accompanied by covenants restricting the use to which cash positions can be put and thereby governing dividend payments and capital reductions.

2017	Net value at 1 January 2017	Changes in the scope of consolidation and currency translation differences	Acquisi-tions	Disposals	Amortisation and depreciation	Net value at 31 December 2017	Gross value	Accumulated amortisation and depreciation
Concession intangible assets	11,408	1	305	(1)	(532)	11,181	20,972	(9,791)
Non-current financial assets in respect of concession service arrangements	1,886	(338)	232	(100)	–	1,680	1,680	–
Current financial assets in respect of concession service arrangements	19	31	–	–	–	50	50	–

Purchases of concession intangible assets reported in the statement of cash flows, amounting to €291 million in 2017, correspond to acquisitions totalling €305 million, adjusted for the change in amounts not paid at the year-end, amounting to €14 million.

Purchases of non-current financial assets reported in the statement of cash flows, amounting to €194 million in 2017, correspond to acquisitions of non-current financial assets in respect of concession service arrangements totalling €232 million, adjusted for the change in amounts not paid at the year-end, amounting to €38 million.

Changes in scope of consolidation concerned mainly the deconsolidation of public-private partnerships sold during the year (Jarny high school, high schools in Seine-Saint-Denis (works packages 1 and 3) and the University in Grenoble).

At 31 December 2017, concession intangible assets were carried mainly by APRR/AREA (€9,742 million), A'liénor (€921 million), CEVM (€343 million) and Senac (€97 million).

At 31 December 2017, current and non-current financial assets in respect of concession service arrangements correspond mainly to the Bretagne–Pays de la Loire high-speed rail line (€1,112 million), the Lille Métropole stadium (€236 million) and the renovation of the Grande Arche de La Défense (€177 million).

With regard to concession contracts, the Group has firm investment commitments; the APRR group will be investing €738 million over the 2018-2022 period.

List of concession and public service management contracts

Intangible assets

Description	Percentage held	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Motorway concessions							
Autoroutes Paris-Rhin-Rhône (APRR)	50%	Motorway network (1,891 km)	Payment by users	Tariffs defined in concession contract and approved by grantor	None	Returned to grantor for no consideration at end of contract	November 2035
Autoroutes Rhône-Alpes (AREA)	50%	Motorway network (408 km)	Payment by users	Tariffs defined in concession contract and approved by grantor	None	Returned to grantor for no consideration at end of contract	September 2036
A'liénor	65%	Motorway network (150 km)	Payment by users	Tariffs defined in concession contract and approved by grantor	None	Returned to grantor for no consideration at end of contract	2066
Compagnie Eiffage du Viaduc de Millau (CEVM)	51%	Viaduct operation (2.5 km)	Payment by users	Tariffs defined in concession contract and approved by grantor	None	Returned to grantor for no consideration at end of contract	2079
Société Eiffage de la Nouvelle Autoroute Concédée (Senac)	100%	Motorway network in Senegal (41 km)	Payment by users	Tariffs defined in concession contract and approved by grantor	None	Returned to grantor for no consideration at end of contract	2039
Fibre optic networks							
Three regional/local contracts (Territoire de Belfort, Côtes d'Armor, Aix-en-Provence)	81%	Roll-out and operation of electronic communica-tions network	Payment by users (telecommunica-tions operators)	Tariff schedule approved by the grantor	None	Returned to grantor for no consideration at end of contract	From 2024 to 2029

Financial assets

Description	Percentage held	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Public facilities							
Var middle schools	100%	Construction and operation of three middle schools	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2043
Université de Lille Nord de France	100%	Grand Lille campus education and innovation programme	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2041
Université de Lorraine (Metz)	100%	Construction and maintenance of two building complexes at the Metz Technopôle science park	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2042
Université de Lorraine (Nancy)	100%	Construction and maintenance of two building complexes of the Medical Biology unit at the Brabois science park in Vandœuvre-lès-Nancy	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2043
Aix-Marseille Université	100%	Restructuring, refurbishment and construction of a series of university buildings and facilities	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2042
Grande Arche de La Défense	100%	Renovation and redevelopment of the Grande Arche de La Défense	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2034
Parc des Expositions and Centre des Congrès (Reims)	100%	Design, construction and financing of the modernisation programme for the exhibition centre and convention centre as well as minor maintenance, repairs, major maintenance, upgrading and operation of both the existing and future structures	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2046
High-speed rail lines							
Bretagne–Pays de la Loire high-speed rail line	100%	Construction and maintenance of the high-speed rail line from Le Mans to Rennes	Rent paid by grantor	None	None	Returned to grantor for no consideration at end of contract	2036

Intangible assets and financial assets (combined model)

Description	Percentage held	Main characteristics	Remuneration method	Remuneration revision	Guarantees (if applicable)	Residual interest	Concession ends
Sports complexes							
Stade Pierre-Mauroy (Lille)	100%	Construction and operation of a stadium	Fixed rent paid by grantor, revenue from ticket sales and ancillary revenue	None	Payments to grantor if profit exceeds minimum return	Returned to grantor for no consideration at end of contract	2043

6.2 Goodwill

Accounting policies

The Group has defined groups of cash generating units (CGU) for each of its operating segments, which correspond to the level at which synergies are generated by business combinations. The definition of these units and groups varies according to the organisation of the operating segment to which the unit belongs, which may be geographical or specific to the operating segment.

Goodwill is not amortised but is tested for impairment at least once a year and whenever there is any indication of impairment in value, any impairment loss being recognised.

For the purposes of impairment testing, goodwill that cannot be tested individually is included in the CGU group expected to benefit from the synergies produced by the business combination.

The recoverable amount of the CGU group in which the goodwill is included is the higher of fair value less costs to sell and value in use.

In practice, the recoverable amount of the CGU groups is determined first by reference to their value in use. If the value in use is less than the carrying value of the CGU group, fair value less costs to sell is then determined.

The value in use is estimated using the discounted free cash flow method, based on the following two elements:

- Expected cash flow at nil debt, namely:
  - Operating profit plus depreciation and amortisation
  - Changes in working capital
  - Capital expenditure to replace existing property, plant and equipment
  - Taxes
- Discount rate (opportunity cost of capital) determined for each CGU group based on its activity and the associated risk profile

The use of after-tax rates to determine recoverable amounts produces the same results as applying pre-tax rates to cash flow before tax.

The recoverable value of CGU groups, other than activities operating concessions and managing utilities, is calculated as the sum of discounted cash flows to infinity.

The recoverable value of the Concessions CGU group is calculated as the sum of discounted cash flows expected over the remaining life of the concession contracts.

Goodwill is allocated to the CGU groups defined by the Group based on the operating segments, as shown below:

	31 December 2017	Acquisitions/ Increases	31 December 2018
Construction	434	110	544
Infrastructure	391	6	397
Energy Systems	602	108	710
Concessions	1,568	-	1,568
Total	**2,995**	**224**	**3,219**

The increase in goodwill in 2018 mainly resulted from international expansion via the acquisitions of Priora AG in Switzerland by the Construction division and Kropman in the Netherlands by the Energy Systems division.

No equity instruments were issued in connection with the acquisitions completed in 2018.

Goodwill is tested for impairment at least once a year and whenever there is any indication of impairment in value.

In the current economic climate, where uncertainty remains following the recent crisis and competitive pressure is as strong as ever, the Group continues to apply conservative estimates to discount rates (which have been impacted by changes in the risk-free rate) and cash flows.

The main parameters used to determine value in use are summarised in the table below:

CGU groups at operating segment level	Discount rate 2018	Discount rate 2017
Construction	5.50%	5.40%
Infrastructure	5.50%	5.40%
Energy Systems	5.50%	4.80%
Concessions	5.50%	4.50%

The Group applied a zero-growth rate for all CGU groups except Concessions.

For Concessions, the growth rate varies over the term of the concession according to various parameters that are consistent with each of the underlying service concession arrangements. Key parameters are the changes in traffic and the price components of these arrangements, which are determined applying a conservative approach in what remains an uncertain economic environment.

Impairment tests performed on the goodwill did not indicate the need to recognise any impairment losses.

Reasonable changes of assumptions used for impairment tests performed in respect of each CGU group would not lead to the recognition of goodwill impairment losses.

The Group has also carried out sensitivity analyses at the level of the operating segments by modifying assumptions regarding the discount rates and cash flows. If discount rates were increased and/or cash flows decreased, the breakeven points, i.e. the levels at which the carrying value of the operating segment would exceed its value in use, would be as indicated in the table below:

2018

Operating segment	Breakeven point – Discount rate	Breakeven point – Reduction in cash flows
Construction	16.7%	33%
Infrastructure	7.7%	71%
Energy Systems	10.5%	52%

At 31 December 2018, no impairment loss had been recognised against any of the goodwill.

6.3 Equity-method investments

Significant joint ventures and associates, excluding property development companies, are those that, when considered individually, have a value recognised applying the equity method in excess of €10 million or total assets in excess of €50 million. They comprise Adelac (A41 motorway concession operator), Est Granulats (quarry operator), Isentalautobahn (public-private partnership for the A94 motorway), Normalux (naval construction), Prado Sud and SMTPC (operators of tunnel concessions in Marseille), and Axxès (electronic toll collector for heavy goods vehicles and buses).

Key financial data concerning these companies is summarised below:

Year ended 31 December 2018	Joint ventures						Associates
Abridged financial information at 100%	Adelac	Est Granulats	Isentalautobahn Gmbh	Normalux	Prado Sud	SMTPC	Axxès
Country % held	France 49.9%	France 49%	Germany 33.3%	Belgium 25%	France 41.5%	France 32.9%	France 17%
Dividends paid to the Group	**–**	**–**	**–**	**–**	**–**	**4**	**–**
Current assets	62	15	25	9	6	43	197
Non-current assets	998	15	289	91	164	54	27
Total assets	1,060	30	314	100	170	97	224
Shareholders' equity	291	26	–	22	(8)	77	38
Current financial liabilities	–	–	–	4	56	–	–
Other current liabilities	4	3	19	6	–	8	164
Non-current financial liabilities	720	–	295	68	122	10	8
Other non-current liabilities	45	1	–	–	–	2	14
Total liabilities and shareholders' equity	1,060	30	314	100	170	97	224
Operating income	56	5	117	–	10	38	984
Operating profit on ordinary activities	27	–	–	1	4	19	–
Net profit	4	–	–	1	(3)	13	–
Items of other comprehensive income	(7)	–	–	–	–	–	–
Comprehensive income	(3)	–	–	1	(3)	13	–
Above results are stated after:							
Amortisation and depreciation	(18)	(1)	–	(3)	(5)	(10)	N/A
Interest receivable	–	–	7	–	–	–	N/A
Interest payable	(21)	–	(7)	(1)	(8)	–	N/A
Tax (charge) credit	2	–	–	1	1	(6)	N/A
Share of investee's profit (loss) recognised by the Group	–	–	–	–	–	4	–
Share of investee's items of other comprehensive income recognised by the Group	(2)	–	–	–	–	–	–
Share of investee's shareholders' equity recognised by the Group	77	13	–	5	(3)	25	7
Share of investments not giving control over the investee recognised by the Group	4	–	–	–	–	–	6
Share of investee's profit (loss) not recognised by the Group	15	–	–	–	3	–	–
Share of investee's items of other comprehensive income not recognised by the Group	(18)	–	–	–	–	–	–
Value at which investment recognised	**78**	**13**	**–**	**5**	**–**	**25**	**13**
Stock market value of investment	**–**	**–**	**–**	**–**	**–**	**34**	**–**

Year ended 31 December 2017	Joint ventures						Associates
Abridged financial information at 100%	Adelac	Est Granulats	Isentalautobahn Gmbh	Normalux	Prado Sud	SMTPC	Axxès
Country % held	France 49.9%	France 49%	Germany 33.3%	Belgium 25%	France 41.5%	France 32.9%	France 17%
Dividends paid to the Group	**–**	**–**	**–**	**–**	**–**	**4**	**–**
Current assets	64	15	57	8	7	38	201
Non-current assets	1,093	16	221	69	168	62	23
Total assets	1,157	31	278	77	175	100	224
Shareholders' equity	289	27	–	21	(5)	75	38
Current financial liabilities	–	–	–	–	21	–	–
Other current liabilities	9	3	33	–	3	8	174
Non-current financial liabilities	769	–	245	56	156	15	9
Other non-current liabilities	90	1	–	–	–	2	3
Total liabilities and shareholders' equity	1,157	31	278	77	175	100	224
Operating income	54	5	158	–	9	40	954
Operating profit on ordinary activities	41	(3)	–	–	3	21	2
Net profit	(1)	(3)	–	–	(3)	15	–
Items of other comprehensive income	10	–	–	–	3	–	–
Comprehensive income	9	(3)	–	–	–	15	–
Above results are stated after:							
Amortisation and depreciation	(18)	(1)	–	–	(4)	(10)	N/A
Interest receivable	–	–	5	–	–	–	N/A
Interest payable	(45)	–	(5)	–	(9)	–	N/A
Tax (charge) credit	3	–	–	–	2	(6)	N/A
Share of investee's profit (loss) recognised by the Group	–	(2)	–	–	(2)	5	–
Shares of investee's items of other comprehensive income recognised by the Group	7	–	–	–	2	–	–
Share of investee's shareholders' equity recognised by the Group	77	13	–	5	(2)	25	7
Share of investments not giving control over the investee recognised by the Group	4	–	–	–	–	–	6
Share of investee's profit (loss) not recognised by the Group	21	–	–	–	2	–	–
Share of investee's items of other comprehensive income not recognised by the Group	(22)	–	–	–	–	–	–
Value at which investment recognised	**80**	**13**	**–**	**5**	**–**	**25**	**13**
Stock market value of investment	**–**	**–**	**–**	**–**	**–**	**45**	**–**

Aggregate financial information concerning equity-method investments:

	31 December 2018			31 December 2017*		
	Material entities	**Non-material entities**	**Total**	**Material entities**	**Non-material entities**	**Total**
Aggregate financial information concerning joint ventures						
Investments in joint ventures (I)	121	31	152	123	26	149
Share of the profit (loss) of joint ventures (II)	4	3	7	1	4	5
Share of items of other comprehensive income of joint ventures	(2)	–	(2)	9	–	9
Share of comprehensive income of joint ventures	2	3	5	10	4	14
Aggregate financial information concerning associates						
Investments in associates (III)	13	6	19	13	7	20
Share of the profit (loss) of associates (IV)	–	2	2	–	–	–
Share of items of other comprehensive income of associates	–	–	–	–	–	–
Share of comprehensive income of associates	–	–	–	–	–	–
Total equity-method investments (I + III)	**134**	**37**	**171**	**136**	**33**	**169**
Total share of profit (loss) of equity-method investments (II + IV)	**4**	**5**	**9**	**1**	**4**	**5**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Changes in investments in joint ventures and associates are analysed in the table below:

At 1 January 2017*	**145**
Profit for the year ended 31 December 2017	5
Dividends distributed	(9)
Capital increase	19
Change in fair value of financial instruments	9
Other	–
At 31 December 2017*	**169**
Profit for the year ended 31 December 2018	9
Dividends distributed	(6)
Capital increase	–
Change in fair value of financial instruments	(2)
Other	1
At 31 December 2018	**171**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

6.4 Other non-current assets

Accounting policies

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation and any impairment. They are analysed by component as required by IAS 16. Assets made available under finance leases as defined by IAS 17 "Leases" are reported under property, plant and equipment on the statement of financial position. The corresponding liability is reported under borrowings on the statement of financial position.

Property, plant and equipment are depreciated as from the date the asset was brought into service so as to write the asset off over its useful life. The main useful lives used are:

- Buildings 20 to 40 years
- Technical installations, plant and tooling 3 to 15 years
- Other 5 to 10 years

Quarries are valued by reference to the total quantity of material that is expected to be extracted. The annual depletion charge is based on the tonnage actually extracted from the quarry.

Investment property

The Group owns properties for which it receives rental income. These properties are stated at fair value at the balance sheet date.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss under "Other operating income on ordinary activities" in the period in which they arise.

Fair value is determined by applying a coefficient to net rental and other income generated by each property measuring expected profitability taking into account such factors as location and nature. Appraisals are performed at regular intervals by the Property Management department.

Other intangible assets

Development costs are capitalised if, and only if, these costs can be measured reliably, the technical and commercial viability of the product or process has been demonstrated, the Group expects to receive future economic benefits and the Group has both the intention and the resources needed to complete development of and use or sell the asset in question.

Development costs concern mainly software (amortised on a straight-line basis over 3 to 15 years) and rights attached to the operation of quarries (amortised by reference to tonnage extracted and the duration of rights).

Impairment losses recognised in respect of non-financial assets

Depreciable assets are tested for impairment when, because of particular events or circumstances, their recoverable amount might be less than their carrying value.

Impairment loss corresponds to the excess of the carrying value over the recoverable amount. Impairment testing is performed in respect of individual assets or, when assets cannot be measured separately, at the level of CGU (cash generating unit) groups.

2018	Net value at 1 January 2018	Changes in the scope of consolidation and currency translation differences	Acquisi-tions	Disposals	Amortisation and depreciation	Net value at 31 December 2018	Gross value	Accumulated amortisation and depreciation
Land	377	38	11	(3)	(8)	415	532	(117)
Buildings	322	13	28	(4)	(27)	332	650	(318)
Technical installations, plant and tooling	504	15	154	(11)	(120)	542	1,628	(1,086)
Other property, plant and equipment	446	(4)	266	(11)	(133)	564	1,667	(1,103)
Total property, plant and equipment[(1)]	**1,649**	**62**	**459**	**(29)**	**(288)**	**1,853**	**4,477**	**(2,624)**
Investment property	**3**	**–**	**–**	**–**	**–**	**3**	**3**	**–**
Other intangible assets	**182**	**5**	**44**	**(2)**	**(24)**	**205**	**535**	**(330)**
Other non-current financial assets	**189**	**11**	**323**	**(1)**	**(4)**	**518**	**640**	**(122)**

(1) The impact of restating finance leases in accordance with IAS 17 to reflect changes in property, plant and equipment is summarised in the following table.

2018	Net value at 1 January 2018	Changes in the scope of consolidation and currency translation differences	Acquisi-tions	Disposals	Amortisation and depreciation	Net value at 31 December 2018	Gross value	Accumulated amortisation and depreciation
Property, plant and equipment	**348**	**(7)**	**150**	**(7)**	**(89)**	**395**	**694**	**(299)**

Purchases of property, plant and equipment and intangible assets reported in the statement of cash flows, amounting to €318 million in 2018, correspond to the acquisition of property, plant and equipment for €459 million and intangible assets for €44 million, adjusted for amounts involving finance leases resulting in a €150 million decrease, and the change in amounts not paid at the year-end resulting in a €35 million decrease.

2017	Net value at 1 January 2017	Changes in the scope of consolidation and currency translation differences	Acquisi-tions	Disposals	Amortisation and depreciation	Net value at 31 December 2017	Gross value	Accumulated amortisation and depreciation
Land	377	3	9	(4)	(8)	377	488	(111)
Buildings	318	27	23	(18)	(28)	322	611	(289)
Technical installations, plant and tooling	487	12	153	(22)	(126)	504	1,543	(1,039)
Other property, plant and equipment	403	(22)	194	(13)	(116)	446	1,520	(1,074)
Total property, plant and equipment[(1)]	**1,585**	**20**	**379**	**(57)**	**(278)**	**1,649**	**4,162**	**(2,513)**
Investment property	**4**	**(1)**	**–**	**–**	**–**	**3**	**3**	**–**
Other intangible assets	**175**	**–**	**38**	**–**	**(31)**	**182**	**483**	**(301)**
Other non-current financial assets	**219**	**5**	**11**	**(36)**	**(10)**	**189**	**304**	**(115)**

(1) The impact of restating finance leases in accordance with IAS 17 to reflect changes in property, plant and equipment is summarised in the following table.

2017	Net value at 1 January 2017	Changes in the scope of consolidation and currency translation differences	Acquisi-tions	Disposals	Amortisation and depreciation	Net value at 31 December 2017	Gross value	Accumulated amortisation and depreciation
Property, plant and equipment	**334**	**(4)**	**115**	**(10)**	**(87)**	**348**	**643**	**(295)**

Purchases of property, plant and equipment and intangible assets reported in the statement of cash flows, amounting to €304 million in 2017, correspond to the acquisition of property, plant and equipment for €379 million and intangible assets for €38 million, adjusted for amounts involving finance leases resulting in a €115 million decrease, and the change in amounts not paid at the year-end resulting in a €2 million increase.

6.5 Finance leases

Accounting policies

When a lease agreement substantially transfers all the risks and rewards of ownership of an asset to the Group, the asset made available under the lease is recorded as plant, property and equipment and depreciated over its estimated useful life when there is a reasonable assurance that ownership will be transferred to the Group at the end of the agreement, or over the agreement's duration if there is no such assurance. The offsetting credit entry is made to borrowings, the obligation being amortised over the duration of the lease agreement.

The amounts concerned are detailed below:

	31 December 2018	31 December 2017
Net accounting value		
Land	10	10
Buildings	30	32
Technical installations	230	193
Other property, plant and equipment	125	113
Other intangible assets	–	–
Total	**395**	**348**
Obligations under finance leases		
Up to 1 year	99	90
1 to 2 years	89	72
2 to 3 years	65	53
3 to 4 years	44	35
4 to 5 years	19	24
Over 5 years	43	39
Total	**359**	**313**
Minimum remaining lease payments		
Up to 1 year	109	95
1 to 2 years	94	79
2 to 3 years	69	56
3 to 4 years	48	35
4 to 5 years	21	24
Over 5 years	49	42
Total	**390**	**331**

6.6 Assets and liabilities making up working capital requirements

Accounting policies

Inventories are stated at the lower of cost, determined applying the first-in, first-out method, and net realisable value. Property held as inventory is included on this line and stated at the lower of cost and net realisable value.

Trade receivables are initially recognised at fair value, which generally corresponds to nominal value unless the discounting effect is material. Subsequently, they are measured at amortised cost, an impairment loss being recognised when it is necessary to take irrecoverable amounts into account.

Gross receivables due from customers arising from the application of the percentage of completion method to long-term contracts are reported under trade receivables.

Working capital relating to operating activities comprises current assets and liabilities linked to the normal operating cycle other than current tax assets and liabilities and other current assets and liabilities of a financial nature.

			Movements		
	31 December 2018	31 December 2017*	Relating to operating activities	Due to fixed asset suppliers	Changes in the scope of consolidation and other
Inventories	740	683	31	–	26
Trade and other receivables	5,311	4,977	158	–	176
Other assets	1,577	1,287	220	–	70
Subtotal – Operating assets	**7,628**	**6,947**	**409**	**–**	**272**
Trade and other payables	3,720	3,278	336	11	95
Other liabilities	4,231	4,118	(55)	–	168
Subtotal – Operating liabilities	**7,951**	**7,396**	**281**	**11**	**263**
Working capital surplus (requirements)	**323**	**449**	**(128)**	**11**	**(9)**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

The change in working capital requirements reported in the statement of cash flows, amounting to a decrease of €125 million in 2018, is stated after the change in non-current deferred income relating to operating activities, which reduced working capital requirements by €3 million.

Inventories

	31 December 2018	31 December 2017*
Raw materials and other supplies	238	202
Property development and services inventories and work in progress	502	481
Total	**740**	**683**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Impairment losses recognised against inventories represented 2.2% of their gross value at 31 December 2018 (2.7% at 31 December 2017).

Trade and other receivables

	31 December 2018			31 December 2017		
	Gross	Provisions	Net	Gross	Provisions	Net
Construction	1,893	(21)	1,872	1,765	(25)	1,740
Infrastructure	1,669	(72)	1,597	1,585	(64)	1,521
Energy Systems	1,628	(42)	1,586	1,520	(40)	1,480
Concessions	253	(6)	247	240	(6)	234
Holding	9	–	9	2	–	2
Total	**5,452**	**(141)**	**5,311**	**5,112**	**(135)**	**4,977**

Overdue receivables

The amounts due reported below relate to a very large number of customers on which the credit risk is extremely diluted.

Amounts due for more than three months represent 9% of trade receivables.

	31 December 2018	31 December 2017
Due for less than three months	602	575
Due for between three and six months	148	103
Due for more than six months	314	276
Total	**1,064**	**954**

Other assets

	31 December 2018	31 December 2017*
Advances and payments on account	148	68
French State	542	412
Employees and welfare organisations	84	80
Amounts due from suppliers, advances and payments on account	124	124
Current accounts with joint ventures and non-consolidated companies	334	285
Miscellaneous debtors	255	244
Prepaid expenses	90	74
Total	**1,577**	**1,287**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Trade and other payables

	31 December 2018	31 December 2017*
Trade payables	3,529	3,098
Due to fixed asset suppliers	191	180
Total	**3,720**	**3,278**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

Other liabilities

	31 December 2018	31 December 2017*
Advances and payments on account	535	420
French State	1,071	1,010
Employees and welfare organisations	656	623
Amounts due to customers	41	96
Current accounts with joint ventures and non-consolidated companies	245	243
Miscellaneous creditors	319	333
Deferred income	1,364	1,393
Total	**4,231**	**4,118**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

7. Shareholders' equity and earnings per share

Accounting policies

As required by IAS 32, treasury shares are deducted from equity for the amount at which they were purchased.

7.1 Share capital

The Group pursues an active policy to promote employee share ownership that intends to encourage the entire workforce to contribute towards the dynamic management of the Group, thereby serving the interests of all the shareholders.

The capital does not include any hybrid instruments, all instruments making up the capital being equity instruments conferring entitlement to dividends.

Apart from the shares held in treasury, there are no potentially dilutive securities in issue.

Out of the 2017 net profit attributable to the equity holders of the parent, which amounted to €548 million, dividends amounting to €197 million were distributed, the balance being transferred to consolidated reserves.

Composition of and changes in share capital

The capital is composed of 98,000,000 fully paid-up shares of €4 each, all ranking *pari passu*.

	Total number of shares	Of which treasury shares	Free float
At 1 January 2017	**98,082,265**	**(5,120,485)**	**92,961,780**
Cancellation of treasury shares	(3,000,000)	3,000,000	–
Capital increase reserved for employees	2,921,501	–	2,921,501
Purchases, sales and share awards	–	225,063	225,063
At 31 December 2017	**98,003,766**	**(1,895,422)**	**96,108,344**
Cancellation of treasury shares	(1,937,350)	1,937,350	–
Capital increase reserved for employees	1,933,584	–	1,933,584
Purchases, sales and share awards	–	(1,394,454)	(1,394,454)
At 31 December 2018	**98,000,000**	**(1,352,526)**	**96,647,474**

In 2017, as part of plans granting options and bonus share awards, the Group purchased 353,126 Eiffage shares and awarded 588,134 Eiffage shares.

As part of the liquidity agreement, Eiffage purchased 2,350,420 of its own shares and sold 2,340,475 shares.

In 2018, as part of plans granting options and bonus share awards, the Group purchased 1,928,846 Eiffage shares and awarded 596,282 Eiffage shares.

As part of the liquidity agreement, Eiffage purchased 2,394,988 of its own shares and sold 2,333,098 shares.

Changes in the carrying value of treasury shares

	2018	2017
At 1 January	132	286
Purchases	393	220
Sales and cancellations	(408)	(374)
At 31 December	**117**	**132**

7.2 Non-controlling interests

Given their impact on the assets and debt, companies or groups of companies in which Eiffage holds material non-controlling interests are: Financière Eiffarie (APRR motorway concession), Verdun Participation 1 (VP1, Millau viaduct concession) and A'liénor (A65 motorway concession).

Key financial data concerning these companies or groups of companies is summarised below:

Year ended 31 December 2018 Abridged financial information at 100%	Financière Eiffarie	VP1	A'liénor
Country	France	France	France
% held by non-controlling interests	50%	49%	35%
Net profit attributable to non-controlling interests	326	2	3
Total non-controlling interests at 31 December	909	(106)	62
Dividends paid to non-controlling interests	317	–	–
Current assets	1,348	69	39
Non-current assets	11,433	355	1,011
Current liabilities	1,888	13	22
Non-current liabilities	9,076	627	850
Net assets	1,817	(216)	178
Operating income	2,900	50	63
Net profit	652	4	7
Comprehensive income	701	4	(10)
Cash and cash equivalents at 1 January	1,825	61	47
Net cash from (used in) operating activities	1,142	21	7
Net cash from (used in) investing activities	(403)	(1)	(1)
Net cash from (used in) financing activities	(1,611)	(12)	(21)
Cash and cash equivalents at 31 December	953	69	32

Year ended 31 December 2017 Abridged financial information at 100%	Financière Eiffarie	VP1	A'liénor	Smulders
Country	France	France	France	Belgique
% held by non-controlling interests	50%	49%	35%	13%
Net profit attributable to non-controlling interests	280	3	1	2
Total non-controlling interests at 31 December	875	(108)	66	10
Dividends paid to non-controlling interests	115	6	–	–
Current assets	2,199	61	53	165
Non-current assets	11,614	359	1,018	49
Current liabilities	2,176	15	31	137

→→→

Year ended 31 December 2017 Abridged financial information at 100%	Financière Eiffarie	VP 1	A'liénor	Smulders
Non-current liabilities	9,888	625	851	3
Net assets	1,749	(220)	189	74
Operating income	2,728	49	59	466
Net profit	560	6	3	15
Comprehensive income	668	6	7	16
Cash and cash equivalents at 1 January	2,163	60	48	28
Net cash from (used in) operating activities	921	19	19	27
Net cash from (used in) investing activities	(329)	(3)	–	(20)
Net cash from (used in) financing activities	(930)	(15)	(20)	–
Cash and cash equivalents at 31 December	1,825	61	47	35

7.3 Dividends

At the general meeting, shareholders will be invited to approve the distribution of a dividend of €2.40 per share in respect of the 98,000,000 shares outstanding at 31 December 2018 as well as any shares that will be issued in connection with the capital increase reserved for employees decided by the Board of Directors on 27 February 2019, excluding treasury shares.

Reserves distributable by Eiffage SA

	31 December 2018	31 December 2017
Share premium account	562	569
Other reserves	1	1
Retained earnings	3,445	3,389
Profit for the year	494	253
Minimum transfer to the legal reserve	–	–
Total	**4,502**	**4,212**

7.4 Earnings per share

Accounting policies

Basic earnings per share are calculated by reference to the average number of shares outstanding, minus the weighted average number of treasury shares. This average is obtained by weighting new shares created through share subscriptions or purchase options being exercised during the period, taking into account share cancellations.

Diluted earnings per share are calculated by reference to the weighted average number of shares determined above, adjusted to include all shares that could be created were all potentially dilutive instruments to be exercised.

Year ended 31 December 2018	Average number of shares	Net profit attributable to equity holders of the parent	Earnings per share (in euros)
Total number of ordinary shares	98,000,000	–	–
Weighting for the cancellation of treasury shares	907,635	–	–
Weighting for capital increase reserved for employees	(731,054)	–	–
Treasury shares	(1,250,465)	–	–
Before dilution	**96,926,116**	**629**	**6.49**
Dilution resulting from the exercise of options and bonus share awards	**1,250,465**	**–**	**–**
After dilution	**98,176,581**	**629**	**6.41**

Year ended 31 December 2017*	Average number of shares	Net profit attributable to equity holders of the parent	Earnings per share (in euros)
Total number of ordinary shares	98,003,766	–	–
Weighting for the cancellation of treasury shares	895,890	–	–
Weighting for capital increase reserved for employees	(1,056,543)	–	–
Treasury shares	(2,636,888)	–	–
Before dilution	**95,206,225**	**548**	**5.76**
Dilution resulting from the exercise of options and bonus share awards	**2,245,886**	**–**	**–**
After dilution	**97,452,111**	**548**	**5.63**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

8. Financial assets and liabilities

Accounting policies

Financial assets comprise current and non-current financial assets measured at amortised cost, financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, as well as cash and cash equivalents.

Financial liabilities comprise borrowings, other financing and bank facilities, derivative instruments and operating payables. The portion of loans that is expected to be settled within 12 months after the balance sheet date is reported under current liabilities, as are borrowings corresponding to the trade receivables securitisation programme.

The financial assets and liabilities identified above are recognised and subsequently measured in accordance with IFRS 9 "Financial Instruments".

Financial assets measured at amortised cost include financial assets in respect of concession service arrangements as well as loans and financial receivables. They are initially recognised at fair value plus directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Cash and cash equivalents comprise cash on hand and sight deposits. They are measured at fair value through profit or loss. They comprise cash on hand, short-term deposits on inception and money market UCITS that, pursuant to the Group's investment policy, are not exposed to the risk of a significant change in value.

Controlling interests and other equity instruments recognised as non-current financial assets are generally measured at fair value through profit or loss. They may be measured at fair value through other comprehensive income by applying this option at the initial recognition when the instruments are not held for trading.

For listed securities, fair value is determined on the basis of the share price at the balance sheet date. For unlisted securities, the historical cost of the securities is deemed to be their fair value. Impairment losses are recognised when it is expected there will be a significant and lasting deterioration in profitability.

Financial assets and liabilities measured at fair value through profit or loss comprise assets and liabilities that are held for trading. Financial income and expenses relating to these assets correspond to interest, dividends, changes in fair value and gains or losses on disposal.

Bank balances repayable on demand form an integral part of the Group's treasury management and are a component of cash and cash equivalents for the purposes of the statement of cash flows.

Borrowings and other financial liabilities are initially recognised at fair value less transaction costs, and subsequently at amortised cost using the effective interest rate method.

Commitments to buy out non-controlling interests are treated as a debt measured at present value and reported as a financial liability. Subsequent changes in value resulting from the reversal of discounting are recognised in the income statement under finance costs.

Changes in the value of these commitments arising from adjustments to the assumptions underpinning their valuation are recorded as financial liabilities, the offsetting entry being made to goodwill for commitments arising from acquisitions prior to the date of application of IFRS 3 (revised) by the Group and to profit or loss for commitments arising from acquisitions completed on or after 1 January 2010.

Derivative financial instruments used by the Group to hedge exposure to interest rate fluctuations on some of its variable-rate loans are initially recognised at fair value.

Fair value includes the credit risk or the entity's own risk as required by IFRS 13, estimated by reference to observable market data.

Attributable transaction costs are recognised in the income statement as and when incurred.

For the effective portion of derivative instruments qualifying as cash flow hedges, subsequent changes in fair value (obtained from the financial institutions that issued the instruments) are recorded under "Items of other comprehensive income" in the statement of comprehensive income.

Any change in the fair value of the ineffective portion is recognised in profit or loss.

The gain or loss on the effective portion of the hedge is recognised under finance costs in the income statement in the period in which the hedged item has an impact thereon.

As required by IFRS 13, the valuation linked to the credit risk of derivative instruments is calculated by reference to market data.

In connection with its financing, the Group has arranged a programme for the securitisation of trade receivables in order to obtain access to financing at a preferential rate. The receivables securitised continue to be reported as trade receivables in the consolidated statement of financial position. The corresponding financing is reported under current liabilities.

Management of financial risk, which forms an integral part of the notes to the consolidated financial statements, is described in the section of the Directors' report on risk factors.

8.1 Carrying value and fair value of financial assets and liabilities

Year ended 31 December 2018

		Accounting category[1]				Method for determining fair value		
						Level 1	Level 2	Level 3
Financial assets	**Carrying value**	**Financial assets at amortised cost**	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Fair value**	**Quoted price on active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current financial assets	2,139	1,739	75	325	2,139	325	1,814	
Current financial assets	56	56	–	–	56		56	
Cash and cash equivalents	3,696	–	3,696	–	3,696	403	3,293	
Total	**5,891**	**1,795**	**3,771**	**325**	**5,891**	**728**	**5,163**	

(1) There was no reclassification between financial asset categories in 2018.

		Accounting category[1]				Method for determining fair value		
						Level 1	Level 2	Level 3
Financial liabilities	**Carrying value**	**Financial liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Hedging financial instruments**	**Fair value**	**Quoted price on active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current loans	11,422[1]	11,266	–	156[2]	11,571		11,571	
Current loans and other debts	2,976[1]	2,976	–	–	2,976		2,976	
Total	**14,398**	**14,242**	**–**	**156**	**14,547**		**14,547**	

(1) Of which 9,250 representing 100% of the debt of the Financière Eiffarie group.

(2) No ineffectiveness was observed in respect of hedging instruments. No material impact was observed after taking into account the credit risk and own risk of the entity in the fair valuation of derivative instruments as required by IFRS 13. In 2018, hedging financial instruments were valued at a total notional amount of nearly €1.5 billion, corresponding to interest rate swaps in respect of concessions and public-private partnerships (mainly the BPL high-speed rail line, A'liénor, Stade Pierre-Mauroy and the Grande Arche de La Défense) with maturities ranging from 2019 to 2043.

Year ended 31 December 2017

		Accounting category[1]				Method for determining fair value		
						Level 1	Level 2	Level 3
Financial assets	**Carrying value**	**Financial assets at amortised cost**	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Fair value**	**Quoted price on active market**	**Internal model using observable market data**	**Internal model using non-observable market data**
Non-current financial assets	1,869	1,798	71		1,869		1,869	
Current financial assets	50	50	–	–	50		50	
Cash and cash equivalents	4,537	-	4,537	–	4,537	1,395	3,142	
Total	**6,456**	**1,848**	**4,608**	**–**	**6,456**	**1,395**	**5,061**	

(1) There was no reclassification between financial asset categories in 2017.
Note that the Group does not hold any assets accounted for as held to maturity.

Financial liabilities	Accounting category[1] Carrying value	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging financial instruments	Fair value	Method for determining fair value Level 1 Quoted price on active market	Level 2 Internal model using observable market data	Level 3 Internal model using non-observable market data
Non-current loans	12,119[1]	11,974	–	145[2]	12,513		12,513	
Current loans and other debts	3,018[1]	2,940	–	78	3,018		3,018	
Total	**15,137**	**14,914**	**–**	**223**	**15,531**		**15,531**	

(1) Of which 10,339 representing 100% of the debt of the Financière Eiffarie group.

(2) No ineffectiveness was observed in respect of hedging instruments. No material impact was observed after taking into account the credit risk and own risk of the entity in the fair valuation of derivative instruments as required by IFRS 13. In 2017, hedging financial instruments were valued at a total notional amount of nearly €4.8 billion, corresponding to interest rate swaps in respect of concessions and public-private partnerships (mainly Eiffarie/APRR, the BPL high-speed rail line, A'liénor, Stade Pierre-Mauroy and the Grande Arche de La Défense) with maturities ranging from 2018 to 2043, and a significant portion maturing in 2018.

8.2 Maturity of financial assets and liabilities and related interest flows

Year ended 31 December 2018	Carrying value	Capital and interest flows	Under 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Marketable securities	403	403	403					
Cash at bank and in hand	3,293	3,293	3,293					
Subtotal – Financial assets (I)	**3,696**	**3,696**	**3,696**	**–**	**–**	**–**	**–**	**–**
Bank loans and bonds and equivalent[1]	12,591	12,686	1,336	1,357	1,099	1,382	121	7,391
Current loans and other borrowings	1,649	1,649	1,649					
Interest rate hedging instruments (fixed/variable rate)[1]	156							
Debt revaluation[1][2]	2							
Subtotal – Financial liabilities (II)	**14,398**	**14,335**	**2,985**	**1,357**	**1,099**	**1,382**	**121**	**7,391**
Net debt (II - I)	**10,702**	**10,639**	**(711)**	**1,357**	**1,099**	**1,382**	**121**	**7,391**
Interest in respect of financial liabilities	–	2,423	136	226	205	182	161	1,513
Total cash flows linked to net debt	**–**	**13,062**	**(575)**	**1,583**	**1,304**	**1,564**	**282**	**8,904**

(1) Reported in the statement of financial position under "Non-current loans" and "Non-current borrowings due within one year".
(2) Due to allocating the valuation adjustment on the acquisition of APRR.

The capital and interest flows presented above concern the debt as reported in the statement of financial position at 31 December 2018. The amounts as analysed above do not take into account any early loan repayments or new loans likely to be entered into in the future.

Interest payments include cash flows in respect of derivative instruments, both assets and liabilities, which have not been restated at their present value. These instruments consist of interest rate swaps.

Interest payments on variable-rate loans are based on interest rates in force at 31 December 2018. For loans bearing fixed interest on a nominal value indexed to inflation, the assumption was that inflation would be 1.50% per annum in the future.

In connection with its contracting activities in particular, the Group has defined a policy for arranging and renewing confirmed credit lines.

At 31 December 2018, Eiffage had a €1 billion confirmed credit line, unused and available until 2021 (within the limit of €0.92 billion in the final year), while the holding company and subsidiaries involved in contracting activities had a net cash position of €2.4 billion.

In addition, Eiffage has a €1 billion Negotiable European Commercial Paper (NEU CP) programme, which gave rise to issues totalling €0.4 billion at 31 December 2018, an unused €1 billion Negotiable European Medium Term Note (NEU MTN) programme and a programme for the securitisation of trade receivables, which was renewed in March 2016 for a maximum amount of €0.6 billion and with its maturity extended from five to seven years.

At 31 December 2018, the Eiffarie/APRR group, the VP1 group (the holding company controlling Compagnie Eiffage du Viaduc de Millau, the concession operator of the Millau viaduct), A'liénor and certain public-private partnerships (including the Bretagne–Pays de la Loire high-speed rail line) carried debt amounting to €11.1 billion without recourse against Eiffage. The majority of this long-term debt carries fixed rates or rates indexed to inflation.

For APRR, the intention is to refinance as and when required, using various sources including bond issues, bank loans and, on the shorter term, by drawing down against credit lines and issuing commercial paper.

In 2007, APRR put in place a Euro Medium Term Notes (EMTN) programme under which it can issue up to €9 billion of bonds.

In 2018, it issued €0.5 billion of fixed-rate bonds maturing in January 2030.

At 31 December 2018, a further €1.55 billion was still available for issue under the above programme.

To finance its investment programme, APRR arranged a seven-year loan amounting to €275 million with the European Investment Bank (EIB) in 2015.

Also in 2015, APRR renegotiated an existing revolving credit facility amounting to €1.8 billion for a five-year term (which was later extended by a further two years). No amounts have been drawn against this facility, the full amount of which was therefore available at 31 December 2018.

Finally, APRR has arranged a commercial paper programme (under which it had issued €0.1 billion at 31 December 2018), used to improve short-term liquidity.

As regards Eiffarie, the €1.5 billion credit facility renegotiated in 2015 for a five-year term (which was later extended by two years) amounted to €1.2 billion at 31 December 2018 given the repayments made since 2015.

Year ended 31 December 2017	Carrying value	Capital and interest flows	Under 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Marketable securities	1,395	1,395	1,395					
Cash at bank and in hand	3,142	3,142	3,142					
Subtotal – Financial assets (I)	**4,537**	**4,537**	**4,537**	**–**	**–**	**–**	**–**	**–**
Bank loans and bonds and equivalent[1]	13,483	13,570	1,519	1,406	1,392	1,059	1,283	6,911
Current loans and other borrowings	1,428	1,428	1,428					
Interest rate hedging instruments (fixed/variable rate)[1]	223							
Debt revaluation[1][2]	3							
Subtotal – Financial liabilities (II)	**15,137**	**14,998**	**2,947**	**1,406**	**1,392**	**1,059**	**1,283**	**6,911**
Net debt (II – I)	**10,600**	**10,461**	**(1,590)**	**1,406**	**1,392**	**1,059**	**1,283**	**6,911**
Interest in respect of financial liabilities	–	2,512	230	238	197	178	146	1,523
Total cash flows linked to net debt	**–**	**12,973**	**(1,360)**	**1,644**	**1,589**	**1,237**	**1,429**	**8,434**

(1) Reported in the statement of financial position under "Non-current loans" and "Non-current borrowings due within one year".
(2) Due to allocating the valuation adjustment on the acquisition of APRR.

8.3 Loans, other borrowings and covenants

Rate	Fixed rate	Variable rate	Fixed rate on indexed nominal	Adjustable rate	Total
Bank loans	8,773	2,666	788	–	12,227
Interest rate swaps	156	–	–	–	156
Finance leases	359	–	–	–	359
Bank overdrafts	–	122	–	–	122
Securitisation account	–	600	–	–	600
Other	611	323	–	–	934
Total financial liabilities at 31 December 2018	**9,899**	**3,711**	**788**	**–**	**14,398**
Total financial liabilities at 31 December 2017	**13,147**	**1,208**	**782**	**–**	**15,137**

A one percentage point increase in interest rates, applied to the balances at 31 December 2018 net of derivatives and taking into account the terms of the financing agreements, would increase net finance costs by €37 million before taking tax into account.

At 31 December 2018, financial liabilities included the following, all converted at closing exchange rates: a loan denominated in CFA francs amounting to €59 million; a short-term financing instrument in Swiss francs amounting to €7 million; and a loan in Colombian pesos amounting to €4 million.

Eiffarie, with regard to the lenders for the credit agreement totalling €1.5 billion arranged in February 2015, and **APRR,** with regard to Caisse Nationale des Autoroutes, the European Investment Bank and lending banks, have entered into commitments obliging APRR to comply with the following two covenants:
- → Net debt to Ebitda ratio less than 7
- → Ebitda to net finance costs ratio greater than 2.2

On 31 December 2018, these ratios came to 3.8 and 13.2, respectively.

Non-compliance with either of these ratios would be treated as a default and trigger the early repayment of all of Eiffarie's debt.

Verdun Participation 2 (VP2), the parent company of Compagnie Eiffage du Viaduc de Millau, has undertaken with regard to the lenders for the €573 million financing arranged in July 2007 to comply with a number of covenants calculated at six-month intervals by reference to a financial model and applying definitions specific to the financing agreement:
- → Annual debt service coverage ratio calculated for the year preceding the date of calculation and for each of the next five years equal to or greater than 1.05
- → Loan life coverage ratio equal to or greater than 1.15
- → Debt coverage ratio calculated over the term of the concession equal to or greater than 1.25

VP2 complied with all of these covenants when they were last calculated in 2018, with values of between 1.23 and 1.46 for the annual debt service coverage ratio and 1.58 and 2.17, respectively, for the loan life coverage and debt coverage ratios.

Non-compliance with any of these covenants would be treated as a default and trigger the early repayment of all of VP2's debt.

A'lienor, the concession operator of the A65 motorway between Pau and Langon, has undertaken with regard to the lenders for the €826 million refinancing arranged in July 2018 to comply with a number of covenants calculated at six-month intervals by reference to a financial model and applying definitions specific to the financing agreement:
- → Annual debt service coverage ratio equal to or greater than 1.05
- → Loan life coverage ratio equal to or greater than 1.10

On 31 December 2018, these ratios came to 1.73 and 2.73, respectively.

Non-compliance with any of these ratios would be treated as a default under the terms of the financial obligation.

Eiffinov is a company specifically incorporated to finance and design, build, maintain, repair and operate the technical installations of buildings in connection with the Grand Lille

Campus project. In connection with a long-term credit agreement dated 23 December 2013, Eiffinov undertook with regard to the lenders to comply with the covenants indicated below, as from the date the project was delivered on 8 July 2016 and subsequently on 30 June and 31 December every year:
- → Annual debt service coverage ratio equal to or greater than 1.10
- → Forecast annual debt service coverage ratio equal to or greater than 1.10
- → Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or greater than 1.15

When these ratios were calculated on 31 December 2018, they came to 1.41, 1.34 and 1.35, respectively.

Non-compliance with any of these covenants on an observation date would be treated as a default and trigger the early repayment of all of Eiffinov's project debt.

Eiffage Rail Express (ERE) is a company specifically incorporated to finance and design, build, operate, maintain and upgrade the Bretagne–Pays de la Loire high-speed rail line. In connection with a long-term credit agreement dated 28 July 2011, Eiffage Rail Express undertook with regard to the lenders to comply with the covenants indicated below, as from the date the project was delivered on 15 May 2017 and subsequently on 30 June and 31 December every year:
- → Annual debt service coverage ratio equal to or greater than 1.05
- → Forecast annual debt service coverage ratio equal to or greater than 1.05
- → Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or greater than 1.10

When these ratios were calculated on 31 December 2018, they came to 2.00, 1.72 and 1.66, respectively.

Non-compliance with any of these covenants on an observation date would be treated as a default and trigger the early repayment of all the project debt of Eiffage Rail Express.

Armanéo is a company specifically incorporated to provide part of the financing to renovate, enhance, maintain and repair the Tête Défense-Nord property complex in Puteaux (Hauts-de-Seine). In connection with a long-term credit agreement dated 30 September 2014, Armanéo undertook with regard to the lenders to comply with the covenants indicated below, as from the date the project was delivered on 31 March 2017 and subsequently on 31 January, 30 April, 31 July and 31 October every year:
- → Annual debt service coverage ratio equal to or greater than 1.05
- → Forecast annual debt service coverage ratio equal to or greater than 1.05
- → Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or greater than 1.10

When these ratios were calculated on 31 October 2018, they came to 2.02, 1.70 and 1.82, respectively.

Non-compliance with any of these covenants on an observation date would be treated as a default and trigger the early repayment of all of Armanéo's project debt.

Cologen is a company specifically incorporated to finance three separate projects to design, build, maintain, repair and carry out major renovation work at middle schools in the Var department in the towns of Carcès, Saint-Raphaël and La Seyne-sur-Mer. In connection with a long-term credit agreement dated 17 December 2015, Cologen undertook with regard to the lenders to comply with the covenants indicated below, as from the date the project was delivered on 31 July 2017 and subsequently on 30 June and 31 December every year:
- → Annual debt service coverage ratio equal to or greater than 1.20
- → Forecast annual debt service coverage ratio equal to or greater than 1.20
- → Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or greater than 1.20

When these ratios were calculated on 31 December 2018, they came to 1.62, 1.66 and 1.23, respectively.

Non-compliance with any of these covenants on an observation date would be treated as a default and trigger the early repayment of all of Cologen's project debt.

Melaudix is a company specifically incorporated to partially finance and restructure, renovate, build, maintain, repair and operate the technical installations of a series of university buildings and facilities in connection with the Quartier des Facultés project in Aix-en-Provence. In connection with a long-term credit agreement dated 6 May 2014, Melaudix undertook with regard to the lenders to comply with the covenants indicated below, as from the date the project was delivered on 8 July 2016 and subsequently on 30 June and 31 December every year:
- → Annual debt service coverage ratio equal to or greater than 1.05

→ Forecast annual debt service coverage ratio equal to or greater than 1.05
→ Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or greater than 1.05

When these ratios were calculated on 31 December 2018, they came to 1.95, 1.80 and 1.35, respectively.

Non-compliance with any of these covenants on an observation date would be treated as a default and trigger the early repayment of all the project debt of Melaudix.

Melotech is a company specifically incorporated to partially finance and restructure, build, maintain, repair and operate the technical installations of two separate property developments as part of the project covering the MIM teaching and research unit as well as the LEM3 research laboratory, both at the Metz campus of the Université de Lorraine. In connection with a long-term credit agreement dated 27 February 2015, Melotech undertook with regard to the lenders to comply with the covenants indicated below, as from the date the project was delivered on 31 May 2017 and subsequently on 31 January, 30 April, 31 July and 31 October every year:
→ Annual debt service coverage ratio equal to or greater than 1.10
→ Forecast annual debt service coverage ratio equal to or greater than 1.10
→ Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or greater than 1.15

When these ratios were calculated on 31 October 2018, they came to 1.82, 1.29 and 1.47, respectively.

Non-compliance with any of these covenants on an observation date would be treated as a default and trigger the early repayment of all Melotech's project debt.

NPBS is a company specifically incorporated to finance, design, build, maintain, repair and operate the technical installations as well as provide various services contributing to the proper functioning of the structures covered by developments A and B for the Medical Biology unit at the Nancy campus of the Université de Lorraine. In connection with a long-term credit agreement dated 28 January 2016, NPBS undertook with regard to the lenders to comply with the covenants indicated below, as from the date the project was delivered on 31 May 2018 and subsequently on 31 January, 30 April, 31 July and 31 October every year:
→ Annual debt service coverage ratio equal to or greater than 1.10
→ Forecast annual debt service coverage ratio equal to or greater than 1.10
→ Debt coverage ratio (corresponding to the present value of future cash flows available for servicing forecast project debt in relation to debt outstanding on the calculation date) equal to or greater than 1.15

When these ratios were calculated on 31 October 2018, they came to 2.16, 2.40 and 2.00, respectively.

8.4 Change in loans and other borrowings

Year ended 31 December 2018	At 1 January	Changes in the scope of consolidation	Other movements[1]	Change in the fair value of financial instruments	Increase	Decrease	At 31 December
Non-current loans and non-current borrowings due within one year (I)	**13,709**	**87**	**51**	**(67)**	**1,382**	**(2,413)**	**12,749**
Bank overdrafts	145	15	(37)	–	–	–	**123**
Other loans and borrowings	1,283	11	(80)	4	382	(74)	**1,526**
Loans and other borrowings (II)	**1,428**	**26**	**(117)**	**4**	**382**	**(74)**	**1,649**
New borrowings and repayment of borrowings reported in the statement of cash flows (I + II)					**1,764**	**(2,487)**	

(1) Includes restatement of finance leases.

Year ended 31 December 2017	At 1 January	Changes in the scope of consolidation	Other movements[1]	Change in the fair value of financial instruments	Increase	Decrease	At 31 December
Non-current loans and non-current borrowings due within one year (I)	**14,422**	**(209)**	**(32)**	**(200)**	**1,591**	**(1,863)**	**13,709**
Bank overdrafts	147	(9)	7	–	–	–	**145**
Other loans and borrowings	1,538	19	(3)	(3)	117	(385)	**1,283**
Loans and other borrowings (II)	**1,685**	**10**	**4**	**(3)**	**117**	**(385)**	**1,428**
New borrowings and repayment of borrowings reported in the statement of cash flows (I + II)					**1,708**	**(2,248)**	

(1) Includes restatement of finance leases.

8.5 Net finance costs and other financial income and expenses

Accounting policies

Other financial income and expenses records the impact on financial income of non-consolidated investments, gains and losses on the sale of financial assets and the effect of discounting employee benefit obligations and other assets and liabilities.

	31 December 2018	31 December 2017
Finance costs	**(366)**	**(490)**
Of which Eiffarie group	(233)	(353)

In 2018, the net interest expense reported in the statement of cash flows, amounting to €341 million, corresponded to net finance costs of €366 million, from which have been deducted items not involving the movement of funds (revaluation of debts, accrued interest not due, etc.) totalling €25 million.

In 2017, the net interest expense reported in the statement of cash flows, amounting to €473 million, corresponded to net finance costs of €490 million, from which have been deducted items not involving the movement of funds (revaluation of debts, accrued interest not due, etc.) totalling €17 million.

	31 December 2018	31 December 2017
Effect of discounting	(14)	(13)
Change in the fair value of financial instruments	5	5
Change in provisions and value of receivables	(6)	(13)
Arrangement fees for public-private partnership financing	(1)	(1)
Gains (losses) on disposals of equity investments	(4)	4
Other income of building material companies	2	2
Other financial expenses	(5)	(4)
Other financial income (expenses)	**(23)**	**(20)**

8.6 Other non-current financial assets

	31 December 2018	31 December 2017
Equity instruments	400[1]	68
Receivables connected with investments	37	52
Loans	58	44
Other investments	23	25
Total	**518**	**189**

(1) Of which Getlink shares measured at fair value at 31 December 2018: €325 million.

8.7 Cash and cash equivalents

Cash and cash equivalents comprise:

		31 December 2018	31 December 2017
Assets			
Marketable securities[1]		403	1,395
Cash at bank and in hand[1]		3,293	3,142
	(I)	**3,696**	**4,537**
Liabilities			
Bank overdrafts	(II)	123	146
Cash and cash equivalents at 31 December	**(I – II)**	**3,573**	**4,391**

(1) Investments in money market UCITS (exclusively very short-dated money market instruments) and sight deposits.

9. Provisions

9.1 Change in provisions

Accounting policies

Non-current provisions

Non-current provisions include the non-current portion, i.e. liability in excess of one year in respect of the following:

→ Provisions for maintaining the condition of concession assets.

Given the obligation, under the service concession arrangements, to maintain to a specified condition the concession intangible assets as explained in Note 6.1 "Concession intangible assets and non-current financial assets in respect of concession service arrangements", provisions are determined by reference to the replacement cost of certain components of motorway infrastructure and are set aside over the estimated useful life of the assets to be replaced. The amounts obtained are then restated at their balance sheet date value applying the rate for the ten-year OAT fungible Treasury bonds.

→ Retirement benefit obligations

These obligations concern long-term employee benefits in respect of lump sums payable upon the employee's voluntary retirement. By nature, this is a defined benefit plan.

For French subsidiaries, which account for the majority of these obligations, these commitments are contractual retirement benefit obligations (generally calculated as a percentage of the employee's final salary based on the length of service and applicable collective bargaining agreements).

The Eiffage Group uses the projected unit credit method to measure the present value of plan obligations arising from past service and the cost of the services rendered during the period under review.

Under this method, the projected value of the accumulated retirement benefits is calculated at the measurement date in respect of employee service in previous years and, for current employees, service in the year ended. The projected value of accumulated benefits is based on the vesting formula for the plan and the length of service at the measurement date, taking into account remuneration, social security contributions, etc. as projected on the date it is estimated benefits will start to be paid to the beneficiary.

Retirement benefit obligations represent the actuarial present value of the projected value of vested benefits at the measurement date, including all benefits payable to active or inactive beneficiaries. The current year service cost is equal to the actuarial present value of the difference between the projected value of vested benefits at the start and at the end of the year.

Retirement benefit obligations are stated at their actuarial present value, which is then pro rated by comparing the length of service at the measurement date to the projected length of service.

The calculation takes into account:

→ the grade, age and length of service of each employee;
→ the expected age on retirement (63 years);
→ turnover calculated by business line, age band and category;
→ the individual average monthly salary including bonuses and other incentive payments, increased to include the employer's statutory contributions;
→ the expected rate of salary increases;
→ the discount rate applicable to the expected obligation on the retirement date, determined by reference to the iBoxx Corporates AA 10 index;
→ official actuarial tables for France (source: TH/TF Insee 11-13);
→ the application of the voluntary retirement scheme.

Actuarial gains and losses result from experience adjustments and the effects of changes in actuarial assumptions as regards interest rates, staff turnover and conditions under which employees will retire. They are recognised in equity under "Items of other comprehensive income".

The past service cost results from changes to existing schemes or the introduction of new schemes. For the Group, it results primarily from changes to the collective bargaining agreements in the construction, public works and metallurgy sectors and from statutory changes arising from amendments to the French social security financing law.

As required by IAS 19 (revised), the past service cost is recognised immediately in profit or loss.

→ Long-service awards

Long-service awards are granted to employees on certain anniversary dates during the career of the beneficiary or after a number of years of service. They are treated as other long-term employment benefits and are recognised and measured applying the same principles as for defined benefit plans. All changes in value are recognised directly in the income statement.

Current provisions

In addition to the current portion of the provisions mentioned above, current provisions comprise provisions relating to the normal operating cycle:

→ Provisions for disputes and penalties
→ Provisions for guarantees given

Within the Infrastructure reporting segment, provisions for guarantees are recognised to cover instances when reservations have been notified and/or instances of non-compliance identified, arising from unforeseen disruptions in the project's execution.

Within the Construction reporting segment, provisions mainly concern disputes arising after completion and falling within the scope of the ten-year contractor's guarantee in France, which are covered by insurance policies for claims exceeding defined deductibles. Recognition is triggered by the notification of an appraisal and the amount of the deductible.

As regards the Concessions reporting segment, in the particular case of public-private partnerships, part of the straight-line rental income stream is intended to cover the replacement and heavy maintenance work. This gives rise to the recognition of a provision for the portion not expensed in the period, when applicable:

→ Provisions for construction risks
→ Provisions for restructuring
→ Provisions for losses on the completion of construction contracts estimated based on economic and financial projections drawn up for each individual contract; these estimates may include amounts likely to be obtained from claims that have been filed

Year ended 31 December 2018	At 1 January	Changes in the scope of consolidation and currency translation differences	Addition	Utilisation	Reversal	Other movements	At 31 December
Provisions for maintaining the condition of concession assets	280	–	68	(41)	–	1	308
Provisions for retirement benefit obligations	311	–	23	(17)	–	(4)[1]	313
Provisions for long-service awards	31	–	3	(2)	–	–	32
Other non-current provisions	3	–	–	–	–	–	3
Non-current provisions	**625**	**–**	**94**	**(60)**	**–**	**(3)**	**656**
Provisions for maintaining the condition of concession assets	38	–	–	–	–	–	38
Provisions for losses at completion	44	6	35	(33)	(1)	(1)	50
Provisions for restructuring	21	–	5	(8)	(2)	(1)	15
Provisions for property risks	–	–	–	–	–	–	–
Provisions for guarantees given	107	–	40	(16)	(10)	(4)	117
Provisions for disputes and penalties	91	(2)	24	(30)	(6)	(3)	74
Provisions for retirement benefit obligations	16	–	–	–	–	–	16
Provisions for long-service awards	4	–	–	–	–	–	4
Provisions for other liabilities	248	8	88	(63)	(27)	(1)	253
Current provisions	**569**	**12**	**192**	**(150)**	**(46)**	**(10)**	**567**

(1) Including actuarial differences for the period.

Each of the current provisions above represents the aggregate of various disputes primarily related to construction contracts that, taken individually, do not represent a material amount. Generally, the maturity of these provisions, linked to the operating cycle, is less than one year. No reimbursements are expected.

Year ended 31 December 2017*	At 1 January	Changes in the scope of consolidation and currency translation differences	Addition	Utilisation	Reversal	Other movements	At 31 December
Provisions for maintaining the condition of concession assets	253	–	65	(35)	(1)	(2)	280
Provisions for retirement benefit obligations	297	1	23	(19)	–	9[1]	311
Provisions for long-service awards	30	–	3	(2)	–	–	31
Other non-current provisions	3	–	–	–	–	–	3
Non-current provisions	**583**	**1**	**91**	**(56)**	**(1)**	**7**	**625**
Provisions for maintaining the condition of concession assets	38	–	–	–	–	–	38
Provisions for losses at completion	44	–	24	(24)	(2)	2	44
Provisions for restructuring	24	–	11	(12)	(2)	–	21
Provisions for property risks	–	–	–	–	–	–	–
Provisions for guarantees given	82	–	59	(25)	(10)	1	107
Provisions for disputes and penalties	77	–	37	(18)	(4)	(1)	91
Provisions for retirement benefit obligations	16	–	–	–	–	–	16
Provisions for long-service awards	4	–	–	–	–	–	4
Provisions for other liabilities	240	–	100	(68)	(20)	(4)	248
Current provisions	**525**	**–**	**231**	**(147)**	**(38)**	**(2)**	**569**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

(1) Including actuarial differences for the period.

9.2 Disputes, arbitration and other commitments

In the ordinary course of its business, the Group is party to various legal proceedings. The matters referred to below have, when appropriate, given rise to provisions considered as adequate in light of current circumstances.

Given the nature of its road construction and maintenance operations, the Group uses products sourced from the oil and gas industry for the production of materials. For this reason, and also because activities may be carried on at old industrial sites, legal action relating to environmental pollution could be brought against the Group.

In connection with the Group's construction operations, there is a risk that any defects may be reported up to ten years after project completion, and such defects can result in significant repair costs. The Group has therefore taken out ten-year contractors' guarantee insurance policies covering claims exceeding defined deductibles. The necessary provisions have been constituted and the Group does not expect this risk exposure to have material consequences.

Concerning the dispute with Métropole Européenne de Lille over the commissioning of Stade Pierre-Mauroy, there are no new developments to report for 2018. Among other matters, this dispute concerns the interpretation of certain contractual clauses and the payment of compensation for the construction budget overruns resulting from delays securing the building permit and from the improvements made to the stadium.

There are no government, legal or arbitration proceedings in progress, nor is the Company aware of any proceedings in abeyance or that could be initiated, that could have or that in the last 12 months have had a material impact on the Group's financial situation or profitability.

9.3 Lump sums paid on retirement

9.3.1 Assumptions used

Group employees in France leaving on retirement are paid benefits as a lump sum.

The key assumptions are shown in the table opposite:

	31 December 2018	31 December 2017
Discount rate	1.50%	1.50%
Rate of price inflation	1.75%	1.75%
Expected return on plan assets	1.50%	1.50%
Rate of wage and salary increases	2.75%	2.75%
Social security charges	45.00%	45.00%

Assumptions regarding staff turnover are determined by sector of activity and age band. The weighted average duration for retirement benefit obligations is 10.8 years.

9.3.2 Reconciliation of asset (provision)

	31 December 2018	31 December 2017
A. Analysis of provision recognised for accounting purposes		
Actuarial value of obligation	(306)	(303)
Fair value of plan assets	3	3
Net financial (deficit) surplus	**(303)**	**(300)**
Effect of asset ceiling	–	–
Supplementary pensions	–	–
Foreign subsidiaries	(25)	(27)
Asset (provision) at 31 December	**(328)**	**(327)**
B. Reconciliation of provision recognised for accounting purposes		
Asset (provision) at 1 January	(327)	(313)
Charge for period recognised for accounting purposes	(21)	(21)
Gain (loss) recognised in other comprehensive income	2	(5)
Employer contributions	–	–
Benefits paid directly by the Company	16	17
Acquisitions	–	–
Transfers	–	–
Supplementary pensions	–	–
Foreign subsidiaries	2	(5)
Asset (provision) at 31 December	**(328)**	**(327)**

9.3.3 Reconciliation of obligation and plan assets

	31 December 2018	31 December 2017
A. Reconciliation of defined benefit obligation		
Obligation at 1 January	303	294
Current service cost	17	17
Net interest on provision	4	4
Employee contributions	–	–
Actuarial losses (gains) – experience adjustment	(2)	4
Actuarial losses (gains) – demographic assumptions	–	1
Actuarial losses (gains) – financial assumptions	–	–
Benefits paid by active participants	–	–
Benefits paid by the Company	(17)	(17)
Plan amendments	–	–
Plan curtailments	–	–
Acquisitions	–	–
Disposals	–	–
Liquidations	–	–
Termination benefits	–	–
Obligation at 31 December	**305**	**303**
B. Reconciliation of plan assets		
Fair value of assets at 1 January	3	3
Net interest on plan assets	–	–
Higher (lower) return on plan assets than that based on discounting	–	–
Employer contributions	–	2
Employee contributions	–	–
Benefits paid	–	(2)
Acquisitions	–	–
Disposals	–	–
Liquidations	–	–
Fair value of assets at 31 December	**3**	**3**

9.3.4 Additional information

A. Future benefits expected to be settled in the year ending 31 December 2019	**11**
B. Maturity profile of defined benefit obligation	
Benefit payments expected in the year ending 31 December 2020	7
Benefit payments expected in the year ending 31 December 2021	10
Benefit payments expected in the year ending 31 December 2022	19
Benefit payments expected in the year ending 31 December 2023	21
Benefit payments expected from 2024 to 2028	133

9.3.5 Sensitivity analysis

A 0.5 percentage point decrease in the discount rate would lead to a 5.6% increase in the actuarial liability in respect of lump sums paid on retirement.

10. Income tax

Accounting policies

Current income tax is calculated in accordance with the tax legislation of the country in which each Group entity is based.

Deferred tax is recognised on differences between the carrying value of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used to calculate taxable profit, with the notable exception of goodwill.

Deferred tax is calculated under the liability method, therefore at the tax rate that is expected to apply in the period when the asset is realised or the liability settled and to the extent these rates are known at the year-end.

The effect of a change in the tax rates is recognised in the period when this change was enacted or substantively enacted by the end of the reporting period.

Tax liabilities are netted off against tax assets when there is a legally enforceable right to do so, namely when a company, acting as the head of a tax group, is able to assume sole responsibility for the payment of tax on behalf of the other companies within the tax group.

Deferred tax assets are recognised to the extent that it is probable that relief can be obtained in later years.

Deferred tax assets and liabilities are not discounted to their present value.

Taxes reported in the income statement and in the statement of comprehensive income comprise both current and deferred taxes.

10.1 Current and deferred tax assets and liabilities

	31 December 2018	31 December 2017*
Current taxes		
Reported as assets	170	206
Reported as liabilities	154	131
Net asset	**16**	**75**
Deferred taxes		
Reported as assets	247	238
Reported as liabilities	854	881
Net liability	**607**	**643**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

10.2 Analysis of deferred tax assets and liabilities

	31 December 2018	31 December 2017*
Assets arising from:		
Lump sums paid on retirement	71	70
Temporary differences	134	119
Valuation differences	–	–
Tax losses	46	43
Financial instruments at fair value	42	65
Restatement of concession and public-private partnership contracts	132	137
Other	–	–
Deferred tax assets and liabilities netted off within same tax entities	(178)	(196)
Total	**247**	**238**
Liabilities arising from:	223	202
Temporary differences	798	867
Valuation differences	5	–
Financial instruments at fair value	–	–
Finance leases	6	7
Other	–	1
Deferred tax assets and liabilities netted off within same tax entities	(178)	(196)
Total	**854**	**881**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

10.3 Income tax expense

	31 December 2018	31 December 2017*
Current tax	(529)	(476)
Deferred tax	68	140
Total	**(461)**	**(336)**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

10.4 Deferred tax relating to items recognised directly in equity

	2018	2017
Assets(1)	(4)	(9)
Liabilities(1)	(26)	(54)

(1) Deferred taxes on the change in value of derivatives used for hedging, financial assets and retirement benefit obligations.

10.5 Reconciliation of theoretical tax charge to actual tax charge

	31 December 2018	31 December 2017*
Consolidated net profit	965	835
Income tax	461	336
Share of profit (loss) of equity-method investments	(9)	(5)
Profit before tax	**1,417**	**1,166**
Tax rate applicable to the parent company (domestic income tax rate)	34.43%	34.43%
Tax on the profit before tax as determined above	488	401
Permanent differences	(16)	10
Effect of different tax rates applicable to subsidiaries operating in other countries	(16)	(1)
Income taxed at lower rates	–	(2)
Effect of change in future tax rates on non-current deferred tax items	5	(72)
Income tax as reported	**461**	**336**

* Restated following the change in accounting policy resulting from the application of IFRS 15 "Revenue from Contracts with Customers".

10.6 Unrecognised tax losses

No deferred tax asset was recognised in respect of the following tax losses because of uncertainties that relief would be obtained:

	31 December 2018	31 December 2017
Unrecognised tax losses	142	152

11. Related party transactions

Transactions with related parties are carried out on an arm's length basis.

Transactions with equity-method entities

Material transactions with equity-method entities are summarised in the table below:

Company	Type of transaction	Balance at 31 December 2018 Receivable (payable)	Income (expense) recognised in profit or loss
Financial transactions			
Adelac	Loan	37	3
Clamart Newton Îlot A/B/F	Current account	4	–
Durance Granulats	Current account	7	–
Rueil Albert-1er	Current account	6	–
Société Prado Sud	Loan	23	–
Commercial transactions			
Adelac	Sundry services	(4)	6
Axxès	Electronic toll collection for heavy goods vehicles and buses	29	(1)
Bagnolet Promotion	Sundry services	5	18
Châtenay-Malabry Parc-Centrale	Sundry services	17	1
Clamart Newton Îlot A/B/F	Sundry services	1	13
Les terrasses du parc de Sceaux	Sundry services	2	16
Prefernord	Sundry services	1	4
Société Matériaux de Beauce	Sundry services	–	(2)

Compensation of management bodies*

The compensation of management bodies is decided by the Board of Directors based on the proposals made by the Appointments and Compensation Committee.

Compensation and other benefits granted to members of management bodies are summarised in the table below:

In thousands of euros	2018	2017
Compensation	1,800	1,555
Benefits in kind	3	3
Employer's social security contributions	460	437
Share-based payments(1)	1,416	899
Board fees	783	748
Termination benefits	–	–
Other long-term benefits	–	–
Total	**4,462**	**3,642**

* Chairman and Chief Executive Officer and the other members of the Board of Directors.
(1) As defined by IFRS 2.

Other related parties

Caisse des Dépôts (CDC) and Eiffage are shareholders of VP1, the holding company controlling Compagnie Eiffage du Viaduc de Millau.

12. Statutory Auditors' fees

The table below details the fees paid to the Board of Auditors in respect of services rendered, analysed by reference to the year when recognised in the income statement.

	TOTAL			
In thousands of euros	**Amount (excluding VAT)**		**%**	
	2018	**2017**	**2018**	**2017**
Certification and limited review of individual and consolidated half-year financial statements[1]				
Issuer	170	170	2.1%	2.6%
Fully consolidated subsidiaries	7,397	6,112	93.3%	92.1%
Subtotal	**7,567**	**6,282**	**95.4%**	**94.7%**
Services other than certification of financial statements[2]				
Issuer	97	97	1.2%	1.5%
Fully consolidated subsidiaries	266	255	3.4%	3.8%
Subtotal	**363**	**352**	**4.6%**	**5.3%**
Total	**7,930**	**6,634**	**100.0%**	**100.0%**

	KPMG Audit IS			
In thousands of euros	**Amount (excluding VAT)**		**%**	
	2018	**2017**	**2018**	**2017**
Certification and limited review of individual and consolidated half-year financial statements[1]				
Issuer	85	85	2.0%	2.4%
Fully consolidated subsidiaries	3,798	3,150	90.7%	90.2%
Subtotal	**3,883**	**3,235**	**92.7%**	**92.6%**
Services other than certification of financial statements[2]				
Issuer	97	97	2.3%	2.8%
Fully consolidated subsidiaries	207	161	4.9%	4.6%
Subtotal	**304**	**258**	**7.3%**	**7.4%**
Total	**4,187**	**3,493**	**100.0%**	**100.0%**

(1) Includes services rendered by independent experts or by members of the Statutory Auditor's network in connection with the certification of accounts.
(2) Mainly reports issued in respect of financial information.

	PricewaterhouseCoopers Audit			
In thousands of euros	**Amount (excluding VAT)**		**%**	
	2018	**2017**	**2018**	**2017**
Certification and limited review of individual and consolidated half-year financial statements[1]				
Issuer	85	85	2.3%	2.7%
Fully consolidated subsidiaries	3,599	2,962	96.2%	94.3%
Subtotal	**3,684**	**3,047**	**98.4%**	**97.0%**
Services other than certification of financial statements[2]				
Issuer			-	-
Fully consolidated subsidiaries	59	94	1.6%	3.0%
Subtotal	**59**	**94**	**1.6%**	**3.0%**
Total	**3,743**	**3,141**	**100.0%**	**100.0%**

(1) Includes services rendered by independent experts or by members of the Statutory Auditor's network in connection with the certification of accounts.
(2) Mainly reports issued in respect of financial information.

13. Financial commitments

Commitments given

	31 December 2018	**31 December 2017**
Off–balance sheet commitments linked to investing activities		
With partnerships (SNC), non-trading real estate investment companies (SCI) and economic interest groupings (GIE)	81	97
Equity investment commitments	4	1
Off–balance sheet commitments linked to financing activities		
Securities pledged in connection with credit transactions	124	55
Other commitments given in connection with credit transactions	–	–
Off–balance sheet commitments linked to operating activities		
Future payments in respect of long-term rental agreements		
Up to 1 year	12	11
1 to 5 years	10	12
Over 5 years	–	–
Future payments in respect of commercial property leases		
Up to 1 year	62	52
1 to 5 years	179	154
Over 5 years	117	118
Guarantees, sureties and pledges given in connection with contracts	4,870	4,091
Commitments given to employees	–	–
Other commitments given in connection with operating activities	589	657
Total commitments given	**6,048**	**5,248**

The significant commitments given in the form of contract guarantees, sureties and pledges are attributable to bid bonds and performance bonds given in connection with large contracts.

Commitments received

	31 December 2018	31 December 2017
Off–balance sheet commitments linked to financing activities		
Unused confirmed credit lines	2,800	2,800
Off–balance sheet commitments linked to operating activities		
Guarantees, sureties and pledges given in connection with contracts	827	590
Other commitments given in connection with operating activities	327	327
Total commitments received	**3,954**	**3,717**

Assets pledged

In 2002, the Group arranged a trade receivables securitisation programme to provide a source of medium-term financing, which it renewed in 2016.

As a rule, project financing for concessions or public-private partnerships is provided on the condition that the shares of the ad hoc entities party to the concession or public-private partnership contracts are pledged to the lenders and their guarantors. This applies notably in the case of APRR, A'liénor (A65 motorway), Adelac (A41 motorway), SMTPC, Prado Sud, Senac (Autoroute de l'Avenir motorway in Senegal) and Eiffage Rail Express (BPL high-speed rail line).

14. Order book

Commitments given

Accounting policies

The order book corresponds to the total of performance obligations not yet fulfilled at the balance sheet date. The parties to each contract have entered into a binding agreement, which thus creates rights and obligations relating to contract performance for both of them.

As regards property development operations, the order book corresponds to revenue generated by signed notarial deeds remaining to be recognised in accordance with progress towards completion of construction work.

For the Concessions reporting segment, it corresponds to operation and maintenance services awarded under long-term contracts relating to public-private partnerships, including major maintenance and repair work over the entire term of the contract.

In billions of euros	31 December 2018	31 December 2017
Construction	4.4	4.3
Infrastructure	6.3	4.9
Energy Systems	3.2	2.9
Total Contracting	**13.9**	**12.1**
Property	0.6	0.7
Concessions	1.1	1.1

The order book for the Contracting divisions (€13.9 billion), up 15% compared with 31 December 2017, represents 12.2 months of activity.

15. List of main consolidated companies at 31 December 2018

Companies mentioned below are consolidated under the full method unless indicated otherwise.

Eiffage and its subsidiaries	**100.0%**
Adelac*	25.0%
A'liénor	65.0%
Alliance Connectic	81.0%
Armaneo	100.0%
Armor Connectic	81.0%
Capaix Connectic	81.0%
Cologen	100.0%
Dervaux Participations 14	100.0%
Efi	100.0%
Efitrez	100.0%
Eifaltis Sas	100.0%
Eifaltis Snc	100.0%
Eiffage Global Services	100.0%
Eiffage Rail Express	100.0%
Eiffage Services	100.0%
Eiffage Systèmes d'Information	100.0%
Eiffinov	100.0%
Elisa	100.0%
Elisa Gestion	100.0%
Financière Laborde	100.0%
Isentalautobahn GmbH & Co. KG*	33.3%
Laborde Gestion	100.0%
Melaudix	100.0%
Melotech	100.0%
NPBS	100.0%
Opere	100.0%
Senac	100.0%
Socfi	100.0%
Société Marseillaise du Tunnel Prado-Carénage*	32.9%
Société Prado Sud*	41.5%

Verdun Participation 1 and its subsidiaries	**51.0%**
Compagnie Eiffage du Viaduc de Millau	51.0%
Verdun Participation 2	51.0%

Financière Eiffarie and its subsidiaries	**50.0%**
Adelac*	24.9%
Area Participation	50.0%
APRR	50.0%
AREA	49.9%
Axxès*	17.0%
Eiffarie	50.0%

Eiffage Construction and its construction subsidiaries	**100.0%**
Antwerpse Bouwwerken	100%
Cecom Center SA	100%
Combined Marine Terminal Operations Worldwide*	25%
De Graeve Entreprises Générales	100%
Eiffage Bénélux	100%
Eiffage Construction Alpes Dauphiné	100%
Eiffage Construction Alsace Franche-Comté	100%
Eiffage Construction Amélioration de l'habitat	100%
Eiffage Construction Auvergne	100%
Eiffage Construction Basse Normandie	100%

Eiffage Construction Bourgogne	100%
Eiffage Construction Bretagne	100%
Eiffage Construction Centre	100%
Eiffage Construction Centre Est	100%
Eiffage Construction Confluences	100%
Eiffage Construction Côte d'Azur	100%
Eiffage Construction Equipements	100%
Eiffage Construction Finance	100%
Eiffage Construction Gestion et Développement	100%
Eiffage Construction Grands Projets	100%
Eiffage Construction Habitat	100%
Eiffage Construction Haute Normandie	100%
Eiffage Construction Ile de France	100%
Eiffage Construction Industries Fresnay/Sarthe	100%
Eiffage Construction Languedoc Roussillon	100%
Eiffage Construction Limousin	100%
Eiffage Construction Lorraine	100%
Eiffage Construction Matériel	100%
Eiffage Construction Midi Pyrénées	100%
Eiffage Construction Monaco	100%
Eiffage Construction Nord	100%
Eiffage Construction Nord Aquitaine	100%
Eiffage Construction Pays de Loire	100%
Eiffage Construction Picardie	100%
Eiffage Construction Poitou Charentes	100%
Eiffage Construction Provence	100%
Eiffage Construction Réhabilitation Centre Est	100%
Eiffage Construction Résidentiel	100%
Eiffage Construction Rhône Loire	100%
Eiffage Construction Sud Aquitaine	100%
Eiffage Construction Tertiaire	100%
Eiffage Gabon SA	100%
Eiffage Polska Budownictwo SA	100%
Eiffage Polska Serwis SP. Z o.o.	100%
Eiffage Suisse AG	100%
Entreprises Générales Louis Duchêne	100%
Fougerolle	100%
Herbosch-Kiere	100%
Normalux*	25%
Oostvlaams Milieubeheer	100%
Perrard	100%
PIT Antwerpen	100%
Reynders B & I	100%
Scaldis Salvage & Marine Contractors*	25%
Société Nouvelle Pradeau Morin	100%
Valens	100%
Vuylsteke-Eiffage NV	100%

Eiffage Construction and its property subsidiaries Eiffage Immobilier, its subsidiaries and the regional property subsidiaries	**100.0%**
Asnières A3 A4*	50.0%
Asnières Grésillons	80.0%
Bagnolet Promotion*	50.0%
Chatenay-Malabry Parc-Centrale*	50.0%
Clamart Newton*	50.0%
Clamart Newton Ilot A/B/F*	50.0%
Dinard Newquay	85.0%
Eiffage Aménagement	100.0%
Eiffage Development	100.0%
Fonçière de la Nielle Sud*	49.0%
Gif Moulon B4 B5	25.0%
Hotel Dieu Réalisation	80.0%
Ilôt Chanterelle	75.5%
Jdml	100.0%
Les Terrasses du Parc de Sceaux*	50.0%
Massy Galvani	100.0%
Nanterre Quartier Université	100.0%
Neuilly Sur Marne - Maison Blanche	89.0%
Paris Didot	90.0%
Parque Peninsula	100.0%
Porte de Clichy La Garenne*	50.0%
Romainville Vassou*	50.0%
Rueil Albert 1er*	50.0%
Saint Denis Boulevard Ornano*	50.0%
Seop	100.0%
Sodemat	100.0%
Tourcoing Sébastopol	51.0%
Villiers Tir à l'arc*	50.0%

Eiffage Infrastructures and its subsidiaries	**100.0%**
AER	100.0%
Aglomerados Los Serranos	100.0%
Appia Enrobés Ouest	100.0%
Bocahut	100.0%
Budillon Rabatel	100.0%
Carrière de la Roche Blain	99.3%
Carrière des Grands Caous	100.0%
Carrière des Roches Bleues	100.0%
Carrière du Sud Ouest	100.0%
Carrières Mousset	49.0%
Clere	100.0%
Contratas y Aglomerados Las Cabezuelas	100.0%
Dle Outre-Mer	100.0%
Durance Granulats*	47.0%
Eiffage Démolition	100.0%
Eiffage Fondations	100.0%
Eiffage Génie Civil	100.0%
Eiffage Génie Civil Antilles	100.0%
Eiffage Génie Civil Marine	100.0%
Eiffage Génie civil Réseaux	100.0%
Eiffage Infra Bau SE	100.0%
Eiffage Infra Guyane	100.0%
Eiffage Infraestructuras	100.0%
Eiffage Infraestructuras Gestion y Desarrollo	100.0%
Eiffage Infrastructures Canada	100.0%
Eiffage Infrastructures Gestion et Développement	100.0%
Eiffage International	100.0%
Eiffage Métal	100.0%
Eiffage Métal España	100.0%
Eiffage Rail	100.0%
Eiffage Route Centre Est	100.0%
Eiffage Route IdF Centre	100.0%
Eiffage Route Méditerranée	100.0%
Eiffage Route Nord Est	100.0%
Eiffage Route Sud Ouest	100.0%
Eiffage Sénégal	100.0%

Eiffage Togo	100.0%
Eiffage Travaux Maritimes et Fluviaux	100.0%
Eiffel Deutschland Stahltechnologie GmbH	100.0%
Est Granulats*	49.0%
Etic	100.0%
Extraccion de Aridos Sierra Negra	100.0%
Faber Bau GmbH	100.0%
Faber Infra Bau Gmbh	100.0%
Faber Viam	100.0%
Forézienne	100.0%
Heinrich Walter Bau GmbH	100.0%
Hormigones Los Serranos	100.0%
Hormigones y Morteros Serrano	100.0%
Iemants NV	87.0%
Innovative Civil Constructors Inc	100.0%
Lonete	87.0%
MDM Infra-Lärmschutz GmbH	100.0%
Mebisa*	43.0%
Nat Neuberger Anlagen-Technik AG	100.0%
Prefernord*	49.0%
Puentes y Torones	70.0%
Roland	100.0%
S&G Hamburg GmbH	100.0%
Schwietelsky Faber GmbH Kanalsanierung*	50.0%
Serrano Aznar Obras Publicas	100.0%
Sitren	99.5%
Smulders Group NV	87.0%
Smulders Projects Belgium	87.0%
Société Matériaux de Beauce*	50.0%
Spomasz	84.9%
Stinkal	65.0%
Travaux Publics de Provence	100.0%
Wittfeld GmbH	100.0%

Eiffage Énergie Systèmes - Part. and its subsidiaries	**100.0%**
Ambergol	57.2%
Ambitec S.a.u	100.0%
Clemessy Maroc	99.9%
Clemessy Services	100.0%
Collignon Eng	100.0%
Conscytec	100.0%
Cy-Fes-Htb	100.0%
Defor	77.5%
E.D.S. Ingeniera y Montajes	100.0%
Eiffage Energia	100.0%
Eiffage Energia Chile Limitada	100.0%
Eiffage Energie Bretagne Pays de Loire	100.0%
Eiffage Energie Ferroviaire	100.0%
Eiffage Energie Systèmes - Alsace Franche Comté	100.0%
Eiffage Energie Systèmes - Aquitaine	100.0%
Eiffage Energie Systèmes - Barth	100.0%
Eiffage Energie Systèmes – Basse Normandie	100.0%
Eiffage Energie Systèmes - Bourgogne Champagne	100.0%
Eiffage Energie Systèmes - Centre Loire	100.0%
Eiffage Energie Systèmes - Clemessy	99.9%
Eiffage Energie Systèmes - Clévia Centre Est	100.0%
Eiffage Energie Systèmes - Clévia Idf	100.0%
Eiffage Energie Systèmes - Clévia Normandie	100.0%
Eiffage Energie Systèmes - Clévia Ouest	100.0%
Eiffage Energie Systèmes - Clévia Sud-Ouest	100.0%
Eiffage Energie Systèmes - Electronique	100.0%
Eiffage Energie Systèmes - Fontanie	100.0%
Eiffage Energie Systèmes - Game Ingenierie	99.8%
Eiffage Energie Systèmes - Gestion & Développement	100.0%
Eiffage Energie Systèmes - Guadeloupe	100.0%
Eiffage Energie Systèmes - Île de France	100.0%
Eiffage Energie Systèmes - Indus Nord	100.0%
Eiffage Energie Systèmes - Infra Loire Auvergne	100.0%
Eiffage Energie Systèmes - Infra Nord	100.0%
Eiffage Energie Systèmes - Infra Rhône Alpes	100.0%
Eiffage Energie Systèmes - IT Loire Auvergne	100.0%
Eiffage Energie Systèmes - IT Rhône Alpes	100.0%
Eiffage Energie Systèmes - Loire Océan	100.0%
Eiffage Energie Systèmes - Lorraine Marne Ardennes	100.0%
Eiffage Energie Systèmes - Maine Bretagne	100.0%
Eiffage Energie Systèmes - Méditerranée	100.0%
Eiffage Energie Systèmes - Nord	100.0%
Eiffage Energie Systèmes - Poitou Charentes	100.0%
Eiffage Energie Systèmes - Quercy Rouergue Gevaudan	100.0%
Eiffage Energie Systèmes - Régions France	100.0%
Eiffage Energie Systèmes - Réseaux & Solutions	100.0%
Eiffage Energie Systèmes - Secauto	99.8%
Eiffage Energie Systèmes - Service Idf	100.0%
Eiffage Energie Systèmes - Sud Ouest	100.0%
Eiffage Energie Systèmes - Telecom	100.0%
Eiffage Energie Systèmes - Telecom Idf-Noe	100.0%
Eiffage Energie Systèmes - Telecom Sud-Est	100.0%
Eiffage Energie Systèmes - Transport & Distribution	100.0%
Eiffage Energie Systèmes - Val de Loire	100.0%
Elettromeccanica Galli Spa	51.0%
Elomech Elektroanlagen GmbH	90.0%
Ger2i	100.0%
Goyer	100.0%
Instalaciones Eléctricas y Bobinajes	100.0%
JJ Tome	57.2%
Kropman Holding B.V. and its subsidiaries	51.0%
Lebas Industrie	99.9%
Rmt I&E GmbH	99.9%
Vse	100.0%
Y Systems	100.0%
Yvan Paque	100.0%

* Companies accounted for under the equity method.

Note 1: The percentages stated correspond to the direct and indirect interest of parent company Eiffage SA in the company concerned.

Note 2: A complete list of these companies together with their addresses and SIREN numbers is available upon request.

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2018

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers.
This report includes information specifically required by European Regulations or French law, such as information about the appointment of Statutory Auditors.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your general meeting, we have audited the accompanying consolidated financial statements of Eiffage SA for the year ended 31 December 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of this report entitled "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements".

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie)* for Statutory Auditors.

Observation

Without qualifying the opinion expressed above, we draw your attention to:

- Note 2.3 "Changes to IFRS up to the balance sheet date", which sets out new standards, amendments and interpretations applicable from 1 January 2018, and in particular IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial instruments";
- Note 2.4 "Summary of impacts of the change in accounting policy following the application of IFRS 15", which sets out the principal impacts of applying IFRS 15 for the first time to the accounts published for comparative years.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Description of risk	How our audit addressed this risk
Recognition of construction contracts *See Note 5.1 to the consolidated financial statements "Operating income"*	
Construction represents a material portion of the revenue reported by the Group. Construction contracts are recognised on a percentage-of-completion basis, which requires estimating the total contract revenue and the cost to complete the contract, gradually recognising the contract revenue in line with: → the physical completion of the project in the case of the Construction and Infrastructure divisions; → the proportion of contract costs incurred for work performed to date in the case of the Energy Systems division. The application of IFRS 15 from 1 January 2018 has not led to a change in the methods applied to determine revenue and margin, except with regard to property development, in which land is now included in the percentage of completion as of the date the notarial deed is signed. The recognition of revenue is therefore based on estimates of the data to completion for each contract. These estimates are reviewed by management and revised, where necessary, over the course the duration of the contract. For large-scale projects covering a period of several years, especially projects relating to the construction of infrastructure, completion estimates may rely to a large extent on the judgement of management regarding the actual or potential occurrence of contingencies during the contracts' execution. Given the material nature of construction operations in the Group's revenue and the significant impact of judgements made by management, we deemed the recognition of revenue from construction contracts to be a key audit matter.	Our work included the analysis of a sample of contracts based essentially on quantitative criteria (total contract revenue and results on completion), and consisted in: → evaluating internal control procedures relating to the recognition of construction contracts; → carrying out interviews with operations and financial managers in order to obtain an understanding of the judgement applied to determine results on completion; → assessing the data and assumptions on the basis of which results on completion are measured, in particular by analysing the consistency of estimated total contract revenue with the project schedule and contractual documents, the consistency of the estimated total cost on completion with the costs incurred to date, and the consistency of the contingencies integrated into the results on completion with the difficulties and risks brought to our attention; → comparing actual results with prior estimates to assess the reliability of these estimates. For the most sensitive estimates (disputes, non-contractual revenue), we obtained additional information upon which to base our assessment and assessed their relevance, in particular in light of actual results for similar projects in the past. Furthermore, we ensured that the compliance of recognition methods applied with respect to IFRS 15 as well as the appropriateness of retrospective restatements made and disclosures provided in the Notes to the consolidated financial statements.
Measurement of provisions relating to the execution of construction contracts and concession agreements *See Note 9 to the consolidated financial statements "Provisions"*	
The Group recognises provisions relating in particular to completed construction contracts and its obligations to maintain concession infrastructure in proper working condition. Provisions for construction contracts primarily concern disputes and claims over the proper and timely execution of the work, disagreements over the price of services, insurance claims and the enforcement of guarantees given. With regards to the Group's obligations to maintain concession infrastructure in proper working condition, provisions are recognised based on the estimated replacement cost of certain parts of the infrastructure. These provisions are recognised over the estimated useful life of the assets to be replaced and updated at each balance sheet date. We deemed the determination and measurement of provisions for liabilities and charges to be a key audit matter given: → the high degree of judgement required from management to determine which risks should be provisioned and to measure with sufficient reliability the amounts of these provisions; → the potentially material impact of these provisions on the Group's operating profit.	We conducted interviews at Group- and subsidiary-level with the management teams, finance departments and legal directors in order to obtain an understanding of all the risks identified by the Group. For the main risks identified, we analysed the facts and circumstances to assess the appropriateness of management's estimates and the underlying assumptions that were applied. We analysed the procedural aspects and/or legal or technical opinions available. At the same time, we also analysed fees paid for legal advice during the year in order to identify the organisations whose services were solicited by the Group and we obtained information from a number of these legal advisers concerning ongoing legal proceedings and their likely financial impact in order to corroborate the position taken by management. We assessed the quality of past estimates made by management by comparing amounts settled to amounts previously provisioned. As regards the obligations to maintain concession infrastructure in proper working condition, we assessed the appropriateness of the methods used to draw up maintenance plans and their consistency with previous years. We also assessed assumptions applied by examining the technical documentation relating to the replacement costs and estimated useful life of assets.

Description of risk	How our audit addressed this risk
Measurement of goodwill *See Note 6.2 to the consolidated financial statements "Goodwill"*	
At 31 December 2018, the Group reported a material carrying amount of goodwill of €3,219 million. These assets are exposed to an impairment risk depending on different factors, such as adverse changes in the economic climate, trading conditions and/or legal and regulatory framework. Impairment tests are performed by the Group at least once a year and whenever there is any indication of impairment in value in order to identify, where necessary, instances when the recoverable amount falls below the carrying amount, which requires the recognition of an impairment loss equal to the difference between the carrying amount and the recoverable amount. For the purposes of impairment testing, goodwill is included in the cash generating unit (CGU) group expected to benefit from the synergies produced by the business combination. In practice, the recoverable amount of a CGU group to which goodwill is allocated is primarily determined by its value in use. The value in use is estimated using the discounted free cash flow method. Since goodwill represents a material amount in the Group's consolidated financial statements, as well as the significant impact of assumptions made by management and the sensitivity of value in use to changes in these assumptions, we deemed the determination of the value in use of CGU groups and the potential need for the recognition of impairment losses to be a key audit matter.	For each CGU group, our work consisted in: → assessing the relevance of the approach used to determine the CGU groups at the level of which impairment tests are performed; → reviewing the methods implemented in impairment testing; → analysing the consistency of cash flow forecasts with actual past cash flows; → carrying out interviews with the Group Finance department to assess the main assumptions applied; → assessing the determination of the discount rates applied to cash flow forecasts in particular by comparing the components of these rates with market data; → analysing tests performed by management to measure the sensitivity of the values in use to the main assumptions applied and, when appropriate, performing our own sensitivity analyses.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by applicable laws and regulations on information pertaining to the Group presented in the Directors' report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the disclosure of consolidated non-financial information required by article L.225-102-1 of the French Commercial Code is presented in the Directors' Report, it being specified that, in accordance with article L.823-10 of this Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information contained in that statement, which must be verified in a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Eiffage SA by the general meeting held on 21 June 1977 for KPMG taking into account the mergers and acquisitions since that date and on 25 April 2001 for PricewaterhouseCoopers Audit.

At 31 December 2018, KPMG was in the 42nd year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 18th.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Group or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance reflects a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Group's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

→ identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

→ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for managing, supervising and performing the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee that includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

The Statutory Auditors

Paris-La Défense, 2 April 2019
KPMG Audit IS

Baudouin Griton
Partner

Neuilly-sur-Seine, 2 April 2019
PricewaterhouseCoopers Audit

Yan Ricaud
Partner

Parent company financial statements

Balance sheet

Assets

In thousands of euros	Notes	2018 Gross	2018 Amortisation, depreciation and provisions	2018 Net	2017
Non-current assets	2	1,513	1,338	175	191
Equity investments	3	3,802,762	31,313	3,771,449	3,567,307
Other investments	3; 4; 11	456,010	80,806	375,204	368,529
Non-current assets		**4,260,285**	**113,457**	**4,146,828**	**3,936,027**
Trade receivables	4; 11	122,440	–	122,440	96,428
Other receivables	4; 11	1,163,536	41	1,163,495	811,456
Current assets excl. cash and cash equivalents		**1,285,976**	**41**	**1,285,935**	**907,884**
Marketable securities	5	179,941	30	179,911	894,587
Cash and cash equivalents	5	1,593,299	–	1,593,299	992,284
Cash and cash equivalents		**1,773,240**	**30**	**1,773,210**	**1,886,871**
Prepayments and accrued income		227	–	227	2,155
Total assets		**7,319,728**	**113,528**	**7,206,200**	**6,732,937**

Liabilities and shareholders' equity

	Notes	2018	2017
Share capital	6	392,000	392,015
Share premium account		562,337	569,188
Revaluation reserve		3,415	3,415
Reserves		40,368	40,368
Retained earnings		3,445,482	3,389,136
Net profit for the year		493,628	252,887
Regulated provisions		37	1,427
Equity	7	**4,937,267**	**4,648,436**
Provisions for liabilities and charges	8	**138,870**	**113,595**
Loans and other borrowings	9; 10	1,246,304	946,785
Trade payables	9; 10	7,038	8,960
Other liabilities	9; 10	876,483	1,015,120
Debt		**2,129,825**	**1,970,865**
Bank overdrafts and credit balances	9; 10	**8**	**8**
Accruals and deferred income		230	33
Total liabilities and shareholders' equity		**7,206,200**	**6,732,937**

Income statement

In thousands of euros	Notes	2018	2017
Operating income			
Sales of goods and services		3,440	5,729
Other income		155	155
Reversals of provisions		5,640	–
Total operating income		**9,235**	**5,884**
Operating expenses			
External expenses		(17,861)	(17,670)
Taxes and duties (other than income tax)		(830)	(464)
Payroll costs		(18,348)	(3,296)
Depreciation, amortisation and provisions		(13,999)	(3,293)
Total operating expenses		**(51,038)**	**(24,723)**
Share of profit (loss) of joint ventures		**11**	**62**
Operating profit		**(41,792)**	**(18,777)**
Income from equity interests		504,720	237,057
Net interest payable and similar charges		14,567	10,976
Net movements in provisions		3,890	(35,634)
Financial income	14	**523,177**	**212,399**
Profit from ordinary activities		**481,385**	**193,622**
Profit (loss) on the disposal of non-current assets		(347)	7,029
Other exceptional income and expenses		22,993	66,401
Net movements in provisions		(22,373)	(63,445)
Exceptional income	15	**273**	**9,985**
Income tax credit	16	11,970	49,280
Net profit		**493,628**	**252,887**

Notes to the parent company financial statements

(In thousands of euros unless otherwise indicated)

1. Accounting principles and methods

The parent company financial statements have been prepared in accordance with the General Chart of Accounts adopted by the French Accounting Standards Authority *(Autorité des normes comptables)* in Regulation 2014-03 of 5 June 2014 (published in the Official Gazette of 15 October 2014).

The main accounting methods are presented below:

1.1 Property, plant and equipment

With the exception of assets that are legally required to be remeasured, property, plant and equipment are valued at cost. Depreciation is calculated using the straight-line method so as to write off the assets over their estimated useful lives:

- Buildings: 40 years
- Industrial buildings: 20 years
- Fixtures and fittings: 10 years

The depreciation period is halved for second-hand items.

1.2 Financial assets

Investments are recorded on the balance sheet at their gross value, i.e. at acquisition cost plus any additional expenses or at their value remeasured at 31 December 1976. When the recoverable amount of an investment is lower than its gross value, a provision is set aside for the difference.

The recoverable amount of investments is calculated based on their share in equity, which may be adjusted where necessary to take into account any future capital gains, growth and earnings.

These estimates and assumptions are based on past experience and various other factors taking into account the unsettled economic climate that makes it difficult to gain clear visibility over business outlook.

1.3 Receivables

Receivables are recorded in the balance sheet at their nominal value. Provisions are set aside to write down receivables if there is a possibility they will not be recovered.

1.4 Marketable securities

Marketable securities are recorded at acquisition cost.

Provisions are set aside when the year-end market value is lower than acquisition cost. Accrued interest on securities bearing a guaranteed interest rate is recognised at the end of the reporting period.

1.5 Provisions for liabilities and charges

Provisions are set aside when it becomes likely that a present obligation will give rise to an outflow of resources with no equivalent consideration in return. Provisions are reviewed at the date the financial statements are prepared and adjusted to reflect the best estimates available at that date.

Certain provisions cover liabilities linked to the execution and completion of construction projects in France and around the world. In such cases they cover any direct costs and ancillary expenses to rehabilitate the construction sites as well as any expenses incurred to complete the projects.

1.6 Foreign currency transactions

Amounts receivable and payable denominated in foreign currencies are converted at the exchange rate at the end of the reporting period. The balance sheets and income statements of entities located outside the euro zone are translated in the same way.

1.7 Joint ventures

In accordance with industry accounting standards, French joint ventures are accounted for under the full consolidation method if they are controlled by Eiffage SA.

For equity accounted investments and joint ventures undertaken outside France, only the Company's share of earnings is recorded in the income statement.

1.8 Long-term contracts

Profits arising on long-term construction projects are accounted for under the percentage of completion method.

Provisions for liabilities are set aside to cover any foreseeable losses on completion, which are determined by analysing forecast economic and financial data for each contract. When appropriate, the forecasts take into account amounts likely to be obtained from claims that have been filed.

1.9 Revenue

Revenue as referred to in the various reports and management documents produced by the Company, in particular in any comments on the operations of Group companies, corresponds to the year's production. It includes work and services performed directly by Eiffage SA as well as its attributable share when the work is performed in partnership with third parties.

1.10 Share of earnings of joint ventures

The earnings of joint ventures are recorded in the year to which they relate, as accrued income when a profit has been made, and as accrued expenses when a loss has been made.

1.11 Treasury shares

Treasury shares allocated to stock option and bonus share plans are recorded as "Marketable securities".
In accordance with CRC Regulation 2008-15, issued by the French Accounting Regulation Committee (Comité de la Règlementation Comptable), a provision is set aside for a non-recurring liability over the vesting period, whenever an expense becomes probable.
Treasury shares not allocated to stock option plans are recognised at their acquisition cost under "Other investments".

A provision for financial impairment is recognised if the unit cost exceeds the average share price in the month preceding the end of the reporting period.

2. Non-current assets

2.1 Gross value

	At 1 January	Acquisitions	Disposals	At 31 December
Land	148	–	–	148
Buildings	1,280	8	–	1,288
Other property, plant and equipment	77	–	–	77
Total	**1,505**	**8**	**–**	**1,513**

2.2 Depreciation

	At 1 January	Expense	Reversals	At 31 December
Buildings	1,241	21	–	1,262
Other property, plant and equipment	73	3	–	76
Total	**1,314**	**24**	**–**	**1,338**

3. Financial assets

3.1 Gross value

	At 1 January	Acquisitions	Disposals	At 31 December
Equity investments	3,603,317	206,489	7,044	3,802,762
Treasury shares and liquidity agreement	3,524	219,290	215,460	7,354
Other investments	444,703	66,150	62,197	448,656
Total	**4,051,544**	**491,929**	**284,701**	**4,258,772**

3.2 Provisions

	At 1 January	Expense	Reversals	At 31 December
Equity investments	36,010	44	4,741	31,313
Other investments	79,698	2,081	973	80,806
Total	**115,708**	**2,125**	**5,714**	**112,119**

Provisions recognised in 2018 in respect of "Other investments" concerned mainly public service concession contracts.

4. Receivables

4.1 Analysis by maturity

	Net amount	Within one year	More than one year
Included under non-current assets(1)	354,683	–	354,683
Included under current assets(2)			
Trade receivables	122,440	122,440	–
Other receivables(3)	1,163,496	1,163,486	10
Total	**1,640,619**	**1,285,926**	**354,693**

(1) Of which €322,140 thousand concerns Group companies.
(2) Of which €457,049 thousand concerns Group companies.
(3) Of which €569,344 thousand from the debt securitisation mutual fund serving the securitisation programme arranged by the Group in 2002. The corresponding liability is recorded for the same amount under "Other receivables".

4.2 Provisions

	At 1 January	Expense	Reversals	At 31 December
Trade receivables	–	–	–	–
Other receivables				
Due from Group companies	40	1	–	41
Total	**40**	**1**	**–**	**41**

5. Marketable securities and cash and cash equivalents

5.1 Marketable securities

	Number of securities		
	At 1 January	At 31 December	Net book value
Treasury shares	1,856,701	1,251,915	109,476
Money market UCITS	–	–	70,435
Total	**1,856,701**	**1,251,915**	**179,911**

Marketable securities comprise mainly UCITS whose market value is not materially different to their net book value.

5.2 Cash and cash equivalents

Cash and cash equivalents includes fixed deposit accounts amounting to €717,423 thousand remunerated at market conditions.

6. Share capital

At 31 December 2018, the share capital was made up of 98,000,000 shares each with a par value of €4.

	Share
Outstanding shares at 31 December 2017	98,003,766
Capital increase reserved for employees	1,933,584
Capital decrease	(1,937,350)
Outstanding shares at 31 December 2018	**98,000,000**

7. Changes in shareholders' equity

	Share capital	Share premium	Revaluation reserve	Reserves	Retained earnings	Profit for the year	Regulated provisions	Total
At 31 December 2017	**392,015**	**569,188**	**3,415**	**40,368**	**3,389,136**	**252,887**	**1,427**	**4,648,436**
Appropriation of 2017 net profit	–	–	–	–	252,887	(252,887)	–	–
Dividends paid	–	–	–	–	(196,541)	–	–	(196,541)
Capital increase	7,734	135,873	–	–	–	–	–	143,607
Capital decrease	(7,749)	(142,724)	–	–	–	–	–	(150,473)
Other	–	–	–	–	–	–	(1,390)	(1,390)
2018 net profit	–	–	–	–	–	493,628	–	493,628
At 31 December 2018	**392,000**	**562,337**	**3,415**	**40,368**	**3,445,482**	**493,628**	**37**	**4,937,267**

8. Provisions for liabilities and charges

	At 1 January	Expense	Reversals		At 31 December
			Provisions used	No longer required	
Stock options and bonus shares	81,745	104,800	81,745	–	104,800
Future expenses on long-term contracts	15,500	12,050	–	10,500	17,050
Subsidiaries	14,700	1,200	–	–	15,900
Tax	960	–	–	–	960
Restructuring	590	110	16	524	160
International	100	–	–	100	–
Total	**113,595**	**118,160**	**81,761**	**11,124**	**138,870**

Each of the provisions detailed above represents the addition of a certain number of disputes primarily relating to construction contracts and the financial situation of certain subsidiaries.

9. Borrowings and bank overdrafts

9.1 Analysis by maturity

	Total	Within one year	More than one year
Loans and other borrowings			
Other	1,246,304	1,246,304	–
Total	**1,246,304**	**1,246,304**	**–**
Other debts			
Amounts due to Group companies(1)	858,705	858,705	–
Miscellaneous debt(2)	17,778	17,778	–
Total	**876,483**	**876,483**	**–**
Bank overdrafts	**8**	**8**	–
Total	**8**	**8**	**–**

(1) See Note 4.1 concerning the impact of the securitisation programme.
(2) Including the one-off bonus for Group employees to boost purchasing power.
The corresponding liability is recorded in the income statement under "Payroll costs".

9.2 Trade payables

At 31 December 2018, trade payables totalled €7,038 thousand. They comprised amounts due to suppliers other than Group companies of €5,192 thousand, consisting nearly entirely of amounts payable 30 days from the date the invoice was issued. At the same date, there were no significant past due amounts.

10. Accrued expenses included under the following balance sheet items

	At 31 December 2018	At 31 December 2017
Loans and other borrowings	55	52
Trade payables	4,930	5,622
Other debts	16,012	58
Bank overdrafts and credit balances	8	8
Total	**21,005**	**5,740**

11. Accrued income included under the following balance sheet items

	At 31 December 2018	At 31 December 2017
Other investments	26,390	21,859
Trade receivables	105,058	83,420
Other receivables	–	75
Cash and cash equivalents	395	168
Total	**131,843**	**105,522**

12. Treasury shares

At 31 December 2018, Eiffage directly owned 1,352,526 of its own shares (equivalent to 1.38% of the capital) for a total amount of €116.8 million. Of these, 1,251,915 shares (€109 million) were allocated to stock option plans, the remaining 100,611 shares (€7.4 million) were held to provide liquidity for market transactions in the Company's shares.

13. Information on related undertakings and equity investments

All transactions with related parties are either immaterial or concluded on an arm's length basis.

14. Financial income and expenses

Interest income and expenses break down as follows:

	At 31 December 2018	At 31 December 2017
Financial income		
Interest received from related undertakings	17,203	20,104
Other financial income from related undertakings	3,140	3,624
Other interest and similar income	2,216	1,413
Net income from disposals of marketable securities	–	52
Financial expenses		
Interest paid to related undertakings	(261)	(663)
Other financial expenses from related undertakings	(5,330)	(9,870)
Other interest and similar expenses	(1,803)	(2,506)
Net expense on disposals of marketable securities	(598)	(1,178)
Total	**14,567**	**10,976**

15. Exceptional income and expenses

Net exceptional income amounted to €0.3 million in 2018 and consisted mainly of capital gains on disposals of investments.

16. Income tax

Eiffage SA is the head of a tax consolidation group that comprised 267 subsidiaries in 2018. The €12 million tax credit recorded represents the difference between the amount of tax payable by the Group and the amount of tax receivable from members of the tax group.

Temporary differences specific to Eiffage SA amounted to €7 million in terms of base tax and correspond to tax relief that will be obtained in the future.

17. Financial commitments

Commitments given	At 31 December 2018	At 31 December 2017
Guarantees and sureties	2,321,708	2,381,094
Non-trading real estate investment companies (SCI), partnerships (SNC) and economic interest groupings (EIG)	433,854	636,702
Other commitments given	–	–
Total	**2,755,562**	**3,017,796**

Commitments received	At 31 December 2018	At 31 December 2017
Confirmed credit lines not used at the year-end	1,000,000	1,000,000
Other commitments received	–	367
Total	**1,000,000**	**1,000,367**

18. Average number of employees

Eiffage SA employed an average of one manager in France in 2018.

19. Executive compensation

Total fixed and variable compensation, including benefits in kind, payable by Eiffage to its executives for the year ended 31 December 2018 totalled €1,802 thousand.

Board fees paid to directors totalled €783 thousand in 2018.

20. Statutory Auditors' fees

Details regarding the fees paid to Statutory Auditors, as charged to income for the period, are provided in the notes to the consolidated financial statements.

Additional notes

Five-year financial summary

Details	2014	2015	2016	2017	2018
1 – Share capital at 31 December (in thousands of euros)					
Share capital	369,086	381,736	392,329	392,015	392,000
Number of ordinary shares outstanding	92,271,466	95,433,991	98,082,265	98,003,766	98,000,000
Maximum number of shares to be created in the future	–	–	–	–	–
by exercising stock options	–	–	–	–	–
2 – Results for the year ended (in thousands of euros)					
Revenue excluding VAT	–	–	–	–	–
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	179,173	266,746	176,249	322,779	508,500
Income tax credit	56,433	76,923	40,961	49,280	11,970
Employee profit-sharing for the year	–	–	–	–	–
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	285,791	321,755	148,233	252,887	493,628
Dividend paid	110,726	143,151	147,123	196,008	235,200
3 – Earnings per share (in euros)					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	2.55	3.60	2.21	3.80	5.31
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	3.10	3.37	1.51	2.58	5.04
Dividend per share	1.20	1.50	1.50	2.00	2.40
4 – Employees					
Average number of employees during the year	1	1	1	1	1
Total payroll	1,611	1,718	1,636	1,569	1,800
Employee benefits (social security and other benefits)	976	863	586	582	590

Dividends that have not been claimed within five years are time-barred and paid over to the French State in accordance with the applicable legislation.

Total profit and per-share data

	2018	2017
Profit from ordinary activities		
Total (in millions of euros)	481	194
Per share (in euros)	4.90	2.00
Profit before tax		
Total (in millions of euros)	482	204
Per share (in euros)	4.90	2.10
Net profit		
Total (in millions of euros)	494	253
Per share (in euros)	5.00	2.60

Subsidiaries and equity investments at 31 December 2018

	Capital	Equity other than share capital (including 2018 net profit)	% of capital held	Gross book value of shares held	Net book value of shares held	Loans and advances granted by Eiffage but not yet repaid	Commit-ments given by Eiffage	2018 revenue excluding VAT	Group share of 2018 net profit (loss)	Dividends paid to Eiffage in 2018
A – Detailed information on subsidiaries and equity investments										
1. Subsidiaries (more than 50% of the capital owned by Eiffage)										
Eiffage Construction(1)	275,629	633,699	100.00	1,185,707	1,185,707	–	261,179	4,049,302	92,794	74,814
Eiffage Énergie Systèmes Participations(1)	242,560	733,867	100.00	898,371	898,371	–	11,555	4,184,244	125,627	74,609
Eiffage Infrastructures(1)	387,203	728,482	100.00	885,571	885,571	–	4,700	5,680,828	82,068	–
Financière Eiffarie(1)	200,174	1,617,275	50.00	378,707	378,707	–	–	2,900,005	651,611	316,675
A'Liénor	275,632	(10,699)	65.00	179,161	179,161	81	1,081	62,678	10,116	—
Senac	30,571	306,929	100.00	30,571	30,571	–	–	46,112	37,876	12,544
Eiffage Rail Express	22,867	1,533,214	100.00	22,867	22,867	67,805	1,234,691	125,905	11,246	5,191
Verdun Participations 1(1)	4,185	(220,330)	51.00	20,410	20,410	–	–	49,905	3,696	–
Eifaltis	13,636	(11)	100.00	13,636	13,636	82,100	–	–	1	–
Eiffage Services	390	2,181	100.00	6,300	6,300	–	–	28,613	2,133	6,826
Eiffage Global Services	6,037	(4,524)	100.00	6,044	6,044	–	–	23,474	629	–
2. Equity investments (between 10% and 50% of the capital owned by Eiffage)										
Adelac	6,000	4,216	25.00	68,612	68,612	905	–	56,100	8,455	–
TP Ferro Concesionaria(2)	51,435	NC	50.00	25,718	–	49,122	–	NC	NC	–
Efi	53,317	26,314	23.73	19,420	19,420	–	–	37,471	(656)	432
Eiffage Infra Bau SE(1)	18,107	18,330	44.77	19,317	19,317	34,563		702,352	12,120	6,829
SMTPC	17,804	47,265	32.92	16,221	16,221	–	–	38,304	13,498	3,651
Société Prado Sud	16,093	(27,835)	41.49	6,676	6,676	23,247	–	10,403	(2,315)	–

(1) Information provided on a consolidated basis.
(2) Company is being wound up.

B – Overall information on subsidiaries and equity investments	Subsidiaries in France	Subsidiaries around the world	Equity investments in France	Equity investments around the world
Book value of shares held:				
Gross	3,609,065	30,652	114,182	48,863
Net	3,603,870	30,652	114,182	22,744
Loans and advances granted	630,661	34,680	149,812	54,604
Guarantees and sureties given	1,977,286	3,000	8,792	–
Dividends collected	480,617	19,373	4,715	15

Statutory Auditors' report on the parent company financial statements

For the year ended 31 December 2018

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers.
This report includes information specifically required by European Regulations or French law, such as information about the appointment of Statutory Auditors.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your general meeting, we have audited the accompanying parent company financial statements of Eiffage SA for the year ended 31 December 2018.

In our opinion, the parent company financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of this report entitled "Responsibilities of the Statutory Auditors relating to the audit of the parent company financial statements".

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the parent company financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the parent company financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the parent company financial statements.

Description of risk	How our audit addressed this risk
Valuation of shares in subsidiaries and affiliates *See Notes 1.2 and 3 to the parent company financial statements "Financial assets"*	
Shares held by the Company in subsidiaries and affiliates amounted to €3,771 million for the year ended 31 December 2018. They mainly represent the intermediate holding companies of the Group's different divisions and account for over half of the total assets recognised on its balance sheet. The carrying amount of these investments is determined according to the share of equity owned by the Company adjusted, when appropriate, to take into account the growth outlook of the division and profitability of its subsidiaries. Outlook takes into account past performances, and, when appropriate, particular circumstances. We deemed the valuation of shares in subsidiaries and affiliates to be a key audit matter due to their significance in the Company's financial statements and to the level of judgement required from management in terms of determining and assessing the value in use of each share.	Our work consisted in verifying that the methods used were applied consistently and properly. We assessed the main assumptions applied by management to determine the growth outlook and profitability of the subsidiaries. We also assessed the sensitivity of valuations to changes in these assumptions.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by applicable laws and regulations.

Information given in the Directors' report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Directors' report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and consistency with the financial statements of the information given with respect to payment terms referred to in article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Report by the Board of Directors on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remunerations and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L.225-37-5 of the French Commercial Code relating to those items your Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the acquisition of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Directors' report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Eiffage SA by the general meeting held on 21 June 1977 for KPMG taking into account the mergers and acquisitions since that date and on 25 April 2001 for PricewaterhouseCoopers Audit.

At 31 December 2018, KPMG was in the 42nd year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 18th.

Responsibilities of management and those charged with governance for the parent company financial statements

Management is responsible for preparing parent company financial statements presenting a true and fair view in accordance with French accounting principles and for implementing the internal control procedures it deems necessary for the preparation of parent company financial statements free of material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The parent company financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the parent company financial statements

Objective and audit approach

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements as a whole are free of material misstatement. Reasonable assurance reflects a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the parent company financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the notes to the parent company financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the parent company financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee that includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the parent company financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

The Statutory Auditors

Paris-La Défense, 2 April 2019
KPMG Audit IS

Baudouin Griton
Partner

Neuilly-sur-Seine, 2 April 2019
PricewaterhouseCoopers Audit

Yan Ricaud
Partner

Statutory Auditors' special report on related party agreements and commitments

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

General meeting to approve the financial statements for the year ended 31 December 2018

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present our report on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the general meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

Agreements and commitments submitted for approval at the general meeting

We were not informed of any agreement or commitment authorised and entered into during the year to be submitted for approval at the general meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements and commitments approved in previous years

We were not informed of any agreement or commitment that had already been approved by the general meeting and was implemented or continued to remain in force during the year.

Statutory Auditors

Paris-La Défense, 2 April 2019
KPMG Audit IS

Baudouin Griton
Partner

Neuilly-sur-Seine, 2 April 2019
PricewaterhouseCoopers Audit

Yan Ricaud
Partner

Report by the Board of Directors on corporate governance

(On the preparation and organisation of the Board's work and corporate governance.)

This report was prepared by the Board of Directors in conjunction with Group General Management and the Finance Department. The necessary information was obtained from the persons, departments or bodies concerned and referred to herein.
The report was approved by the Eiffage Board of Directors on 27 February 2019.

1. Introduction

This report has been prepared in accordance with Article L.225-37 of the French Commercial Code.

It includes information on the preparation and organisation of the work performed by the Board, the compensation paid to corporate officers and any information that may be relevant in the event of a public offering.

The Eiffage Group is headed by a holding company, Eiffage SA, which directly or indirectly controls a number of companies operating in four divisions encompassing various business lines: the Construction division for construction, property development and urban development, the Infrastructure division for roads, civil engineering and metallic construction, the Energy Systems division for energy-related businesses and the Concessions division for public-private partnerships as well as motorway and other concessions.

The Chairman and CEO has the broadest powers to act in all circumstances in the name of the Company, within the limits of the corporate purpose and subject to any powers that the law expressly reserves for general meetings and the Board of Directors.

2. Corporate governance – preparation and organisation of the Board of Directors' work

As regards corporate governance, the Company refers to the Code of Corporate Governance for listed companies published by the French Association of Private Companies (Association Française des Entreprises Privées – AFEP) and the French Confederation of Business Enterprises (Mouvement des Entreprises de France – Medef), as updated in June 2018, which is available on the Medef website at www.medef.com. However, the following recommendation is not applied:

Recommendation not applied	Reason and/or process to ensure compliance
It is recommended that the lead director be independent (recommendation no. 6.3).	Jean-François Roverato was appointed lead director (known as Senior Director within the Group) on 18 January 2016, but does not satisfy the independence criteria contained in the AFEP-Medef Code. The Board considers that his long-standing role within the Group and his contribution to its success make his continued presence essential. The Board also believes that his position as Senior Director guarantees stable corporate governance and the proper balance between the powers of General Management and of the Board. This was particularly the case in autumn 2015, and still remains relevant today.

A. Composition of the Board of Directors

At the date of this report, the Board of Directors was composed of 11 members, seven of whom are independent directors, one of whom is not independent, and one of whom represents employee shareholders, together with the Chairman and Chief Executive Officer, the Vice-Chairman and Senior Director. Five of the Board's 11 members are women, meaning that the Company complies with the gender parity requirements of the law of 27 January 2011, as well as with the AFEP-Medef recommendation that half of the members of a board should be independent. Note that the director representing employee shareholders is excluded when calculating the number of independent directors.

The Board of Directors aims to comply with the AFEP-Medef Code in terms of diversity of the Board and its committees.

According to the Articles of Association, each director must hold at least one share in the Company, although the Board's internal rules recommend that they each hold 100. The Board's internal rules also require the Chairman of the Board to hold at least 1,000 Eiffage shares in registered form at all times, until he ceases to hold office.

Composition of the Board at 27 February 2019

	Role	Term of office ends	Date of first appointment	Independent	Gender	Date of birth	Nationality
Benoît de Ruffray	Chairman and Chief Executive Officer	2019	09/12/2015(1)	No	Male	04/06/1966	French
Jean-François Roverato	Vice-Chairman, Senior Director	2020	22/01/1987	No	Male	10/09/1944	French and Italian
Thérèse Cornil	Director	2021	24/02/2011(2)	Yes	Female	27/02/1943	French
Laurent Dupont	Director representing employee shareholders	2019	18/04/2012	No	Male	29/01/1965	French
Bruno Flichy	Director	2021	24/04/2002(3)	No	Male	25/08/1938	French
Jean Guénard	Director	2020	01/09/2011(5)	Yes	Male	11/04/1947	French
Marie Lemarié	Director	2021	18/04/2012	Yes	Female	04/01/1972	French
Dominique Marcel	Director	2021	25/06/2008	Yes	Male	08/10/1955	French
Isabelle Salaün	Director	2019	15/04/2015	Yes	Female	25/08/1961	French and Swiss
Carol Xueref	Director	2021	16/04/2014	Yes	Female	09/12/1955	French and British
Odile Georges-Picot	Director	2022	24/04/2018	Yes	Female	02/06/1956	French
Total	11			7/10(4) i.e. 70% independent members	5/11 i.e. 45% female members		

(1) Benoît de Ruffray was appointed by the Board on 9 December 2015 to replace Pierre Berger for the remainder of his term of office. The provisional appointment of Benoît de Ruffray was ratified by shareholders at the general meeting of 20 April 2016.
(2) Thérèse Cornil was appointed by the Board on 24 February 2011 to replace Serge Michel. The provisional appointment of Thérèse Cornil was ratified by shareholders at the general meeting of 20 April 2011.
(3) Bruno Flichy was a director between 2002 and 2015, and a non-voting observer of the Board (*censeur*) from 2015 to 2017. He was re-appointed as a director at the general meeting of 19 April 2017.
(4) Excluding the director representing employee shareholders.
(5) Jean Guénard was appointed as a director by the Board on 15 June 2011 following the departure of Jean-Claude Kerboeuf on 1 September 2011.

Directors are appointed for a term of office of four years. The directorships of the 11 Board members will be renewed as follows:

Date	Directors concerned	
	Number	**Name**
2019	3/11	Benoît de Ruffray; Laurent Dupont; Isabelle Salaün
2020	2/11	Jean-François Roverato; Jean Guénard
2021	5/11	Thérèse Cornil; Bruno Flichy; Marie Lemarié; Dominique Marcel; Carol Xueref
2022	1/11	Odile Georges-Picot

There have been no changes in the Chairman of the Board or the members of General Management – other than the departure of the Deputy Chief Executive Officer, who was not a corporate officer – during the last financial year and up to the date of this report.

The changes in the composition of the Board and its committees that occurred during the last financial year and up to the date of this report are summarised in the following table:

Date	Outgoing members	New appointments	Terms of office renewed
Members of the Board of Directors			
25 April 2018		Odile Georges-Picot, independent director	
Members of the Audit Committee – No changes			
Members of the Appointments and Compensation Committee			
27 February 2019		Carol Xueref, independent director of French and British nationality, was appointed Chair, replacing Thérèse Cornil, independent director, who remains a member of the committee	
Members of the Strategy and CSR Committee			
27 February 2019		Jean Guénard, independent director, was appointed Chair, replacing Bruno Flichy, who remains a member of the committee	

Composition of the Board committees at 27 February 2019:

	Role	Audit Committee	Appointments and Compensation Committees	Strategy and CSR Committee	Number of shares held
Benoît de Ruffray	Chairman and Chief Executive Officer			Member	1,000(1)
Jean-François Roverato	Vice-Chairman, Senior Director			Member	54,465(2)
Thérèse Cornil	Independent director		Member		100
Laurent Dupont	Director representing employee shareholders	Member	Member		1,894(3)
Bruno Flichy	Director	Member		Member	5,500
Jean Guénard	Independent director		Member	Chair	39,807
Marie Lemarié	Independent director	Member			1,000
Dominique Marcel	Independent director	Member			100
Isabelle Salaün	Independent director	Chair			1,000
Carol Xueref	Independent director		Chair	Member	300
Odile Georges-Picot	Independent director			Member	300
Total	11	5	4	6	
Total		3/4, i.e. 75% independent members(4)	3/3, i.e. 100% independent members(4)	3/6, i.e. 50% independent members	

(1) Benoît de Ruffray also owns 8,271 units in the FCPE Eiffage Actionnariat fund acquired as part of the Group's employee share ownership plan in 2016, 2017 and 2018. Those units are subject to a five-year lock-in period from their vesting date, except where the lock-in period ends early in cases provided for by legislation. At 31 December 2018, these FCPE Eiffage Actionnariat units corresponded to around 18,144 Eiffage shares.

(2) Taking into account his interests in Eiffage and the Sicavas Eiffage 2000 fund, Jean-François Roverato directly and indirectly owns 0.17% of Eiffage's capital, and 0.40% taking into account his beneficial interest in shares whose ownership interests are split. On 4 January 2019, Jean-François Roverato disclosed the sale, by a company whose legal and beneficial ownership is split between himself and persons closely linked to him, of all ownership interests (legal and beneficial ownership) in 16,550 Eiffage shares.

(3) Laurent Dupont also owns units in the FCPE Eiffage Actionnariat and Sicavas Eiffage 2000 funds, acquired as part of the Group's employee share ownership plan. At 31 December 2018, those units corresponded to around 2,401 Eiffage shares.

(4) Excluding the director representing employee shareholders.

B. Role of the Vice-Chairman and Senior Director

The Company has appointed a Vice-Chairman and Senior Director. His duties are defined in an appendix to the Board's internal rules, and include:

- ensuring the proper balance of power between the Board and the Chairman and Chief Executive Officer;
- assisting the Chairman and Chief Executive Officer with his duties, including organising and ensuring the proper functioning of the Board and its committees, and supervising the application of corporate governance rules and recommendations;
- chairing meetings of the Board of Directors if the Chairman and Chief Executive Officer is absent;
- advising directors who find themselves in a conflict of interest or potential conflict of interest, and informing the Board of any conflicts of interest he may have identified;
- organising a Board meeting once a year, which is not attended by the Chairman and Chief Executive Officer, to discuss the operating procedures of the Board and its committees;
- contributing to the annual assessment of the Board's operating procedures.

The Vice-Chairman and Senior Director may ask the Chairman and Chief Executive Officer to call a meeting of the Board of Directors to discuss a specific agenda, and meets with the non-executive directors at least once a year. He must report to the Board on any such meetings and any suggestions made. The Board of Directors may also entrust him with special assignments, including representing the Company, in accordance with the French Commercial Code.

The Vice-Chairman and Senior Director has access to all information necessary to carry out his duties, and is kept regularly informed by the Chairman and Chief Executive Officer of all material situations and events concerning the Group's business, including in particular those regarding strategy, organisation, financial reporting, major investment and divestment projects and major financial transactions, capital ownership and contacts with the current or potential main shareholders. He may attend meetings of all the Board committees and, if agreed by the Chairman and Chief Executive Officer, meet with the Group's senior managers and executives and the Statutory Auditors.

The Vice-Chairman and Senior Director attends meetings of the Board committees. As an auditor, he also sits in at meetings at division and Group level. As a result, he has in-depth knowledge of the Group's contracts, financial position and employees.

He submits any opinions and suggestions he may have to the Chairman and Chief Executive Officer, with whom he meets frequently, and to the Board of Directors and Board committees. He maintains contact with each director, particularly the independent directors and the director representing employee shareholders. He represents the Group if the Chairman and Chief Executive Officer is not available, and attends events both within and outside the Group. In 2018, the Vice-Chairman and Senior Director attended approximately 40 meetings.

C. Independence of Board members

Following a proposal by the Appointments and Compensation Committee, the Board of Directors considers Marie Lemarié, Thérèse Cornil, Isabelle Salaün, Carol Xueref, Odile Georges-Picot, Dominique Marcel and Jean Guénard to be independent, as they satisfy the independence criteria set out in the AFEP-Medef Code, used as a framework by the Company.

The following table details the independence criteria:

Independence criteria	
Criterion 1: ***Not an employee or corporate officer during the past five years***	Is not and has not been in the last five years: – an employee or executive corporate officer of the Company; – an employee, executive corporate officer or director of a Company that is a consolidated subsidiary of the Company; – an employee, executive corporate officer or director of the Company's parent company or a company consolidated by the parent company.
Criterion 2: ***No cross directorships***	Is not an executive corporate officer of a company in which the Company has, directly or indirectly, a seat on the board of directors or in which a designated employee or an executive corporate officer of the Company (currently or in the past five years) has a seat on the board of directors.
Criterion 3: ***No material business relationship***	Is not a client, supplier, corporate banker, investment banker or advisor: – who is material to the Company or its Group; – or a material proportion of whose business is accounted for by the Company or its Group. The assessment of whether the relationship with the Company or its Group is material or not must be discussed by the Board, and the qualitative and quantitative criteria that lead to that assessment (continuity, financial dependence, exclusivity, etc.) must be explicitly stated in the annual report.
Criterion 4: ***No family ties***	Does not have any close family ties with a corporate officer.
Criterion 5: ***Not a Statutory Auditor***	Has not been a Statutory Auditor of the Company during the past five years.
Criterion 6: ***Not a director for more than 12 years***	Has not been a director of the Company for more than 12 years. Directors lose independent status after 12 years.
Criterion 7: ***Status of non-executive corporate officer***	A non-executive corporate officer cannot be regarded as independent if they receive variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or its Group.
Criterion 8: ***Not a major shareholder***	Directors representing major shareholders of the Company or of the parent company may be considered independent if those shareholders do not take part in the control of the Company. However, if the shareholder owns more than 10% of the capital or voting rights, the Board of Directors, based on a report by the Appointments Committee, shall systematically investigate the director's independence, taking into account the Company's ownership structure and the existence of a potential conflict of interest.

✓ Criterion met ✗ Criterion not met

The following table sets out the situation of the independent directors with regard to the independence criteria:

Independence criteria	Thérèse Cornil	Jean Guénard	Marie Lemarié	Dominique Marcel	Isabelle Salaün	Carol Xueref	Odile Georges-Picot
Criterion 1: ***Not an employee or corporate officer during the past five years***	✓	✓	✓	✓	✓	✓	✓
Criterion 2: ***No cross directorships***	✓	✓	✓	✓	✓	✓	✓
Criterion 3: ***No material business relationship***	✓	✓	✓	✓	✓	✓	✓
Criterion 4: ***No family ties***	✓	✓	✓	✓	✓	✓	✓
Criterion 5: ***Not a Statutory Auditor***	✓	✓	✓	✓	✓	✓	✓
Criterion 6: ***Not a director for more than 12 years***	✓	✓	✓	✓	✓	✓	✓
Criterion 7: ***Status of non-executive corporate officer***	✓	✓	✓	✓	✓	✓	✓
Criterion 8: ***Not a major shareholder***	✓	✓	✓	✓	✓	✓	✓
Conclusion	**Independent**	**Independent**	**Independent**	**Independent**	**Independent**	**Independent**	**Independent**

To the best of the Company's knowledge, the independent directors do not have any business relationship with the Group.

The following table shows the situation of the non-independent directors with regard to the independence criteria:

Independence criteria	Benoît de Ruffray	Jean-François Roverato	Laurent Dupont	Bruno Flichy
Criterion 1: ***Not an employee or corporate officer during the past five years***	✗	✗	✗	✓
Criterion 2: ***No cross directorships***	✓	✓	✓	✓
Criterion 3: ***No material business relationship***	✓	✓	✓	✓
Criterion 4: ***No family ties***	✓	✓	✓	✓
Criterion 5: ***Not a Statutory Auditor***	✓	✓	✓	✓
Criterion 6: ***Not a director for more than 12 years***	✓	✗	✓	✗
Criterion 7: ***Status of non-executive corporate officer***	✓	✓	✓	✓
Criterion 8: ***Not a major shareholder***	✓	✓	✓	✓
Conclusion	**Not independent**	**Not independent**	**Not independent**	**Not independent**

D. Organisation of the Board of Directors' work

The following table details directors' attendance at meetings:

	Role	Independent	Board of Directors	Audit Committee		Appointments and Compensation Committee		Strategy and CSR Committee	
			Number of meetings = 5	Number of meetings = 5	Number of meetings attended and attendance rate	Number of meetings = 5	Number of meetings attended and attendance rate	Number of meetings = 6	Number of meetings attended and attendance rate
Benoît de Ruffray	Chairman and Chief Executive Officer	No	5 (100%)					Member	6 (100%)
Jean-François Roverato	Vice-Chairman, Senior Director	No	5 (100%)					Member	6 (100%)
Thérèse Cornil	Independent director	Yes	5 (100%)			Member*	5 (100%)		
Laurent Dupont	Director representing employee shareholders	No	5 (100%)	Member	5 (100 %)	Member	5 (100%)		
Jean Guénard	Independent director	Yes	5 (100%)			Member	5 (100%)	Chair*	6 (100%)
Marie Lemarié	Independent director	Yes	5 (100%)	Member	5 (100%)				
Dominique Marcel	Independent director	Yes	5 (100%)	Member	5 (100%)				
Isabelle Salaün	Independent director	Yes	5 (100%)	Chair	5 (100%)				
Carol Xueref	Independent director	Yes	4 (80%)			Chair*	5 (100%)	Member	6 (100%)
Bruno Flichy	Director	No	5 (100%)	Member	5 (100%)			Member*	6 (100%)
Odile Georges-Picot**	Independent director	Yes	4 (100%)**					Member	4 (100%)**

* On 27 February 2019, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, validated changes of chair in two of its committees:

- Appointments and Compensation Committee: Carol Xueref was appointed Chair, replacing Thérèse Cornil, who remains a member of the committee
- Strategy and CSR Committee: Jean Guénard was appointed Chair, replacing Bruno Flichy, who remains a member of the committee

** Appointed by the general meeting of 25 April 2018.

E. Information on the members of the Board of Directors

The main roles and any other positions and offices held by members of the Board and the General Management team in other companies at 31 December 2018 and during the past five years are shown in the following table:

Name Main role	Other roles held at 31 December 2018	Other roles held (excluding at Eiffage subsidiaries) over the past five years, now expired
Benoît de Ruffray Chairman and Chief Executive Officer Benoît de Ruffray does not hold any other role in a listed company.	Within the Eiffage Group, chairman of: Eiffage Énergie Systèmes, Eiffage Participations, Clemessy, Eiffage Énergie Télécom, Eiffage Infrastructures, Eiffarie (SAS), Financière Eiffarie (SAS) and the Eiffage corporate foundation Within the Eiffage Group, director of: APRR, AREA Chairman of the Board of Directors, École des Ponts ParisTech Director of Fondact	Chairman of: Bouyguesstroi, Bypolska Property Development SA, Karmar SA, Terre Armée Internationale Director of: BMP Project Consulting, Bouygues Bâtiment International, Al Montazahah Contracting Company Ltd, Asiaworld-Expo Management Ltd, BMP Holding Ltd, Bouygues Construction Australia Pty Ltd, Bouygues Construction Qatar LLC, Bouygues Hungaria Fovallalkozasi KFT, Bouygues Shanghai Engineering Co. Ltd, Bouygues Thaï Ltd, Byma PTE Ltd, BYMA Myanmar Ltd, Byme Engineering Hong-Kong Ltd, Byme Engineering Hub PTE Ltd, Byme Singapore Private Company Ltd, BySolar Asia Ltd, Dragages Hong-Kong Ltd, Dragages Investments Holdings Ltd, Dragages Investments Ltd, Dragades Macau Limitada, Equiby, IEC Investments Ltd, Medunarodna zracna luka Zagreb d.d., PT Dragages Indonesia, VCES a.s, VCES Holding s.r.o, ZAIC – A Ltd, Freyrom, Freyssinet Asia Pacific Ltd, Freyssinet PSC (M) Sdn Bhd, The Reinforced Earth Company, Nuvia Ltd, Bermingham Foundation Solutions Ltd.
Jean-François Roverato Vice-Chairman, Senior Director Jean-François Roverato does not hold any other role in a listed company.	Within the Eiffage Group, director of Eiffarie (SAS)	Chairman of: Eiffage (SA), Eiffarie (SAS), Financière Eiffarie (SAS), Apollinaire Participation (SAS) Director of: APRR, AREA
Thérèse Cornil Independent director	–	–
Laurent Dupont Director representing employee shareholders Head of operations	Chairman of: Sicavas d'Actionnariat Salarié Eiffage 2000, FCPE Eiffage Actionnariat	Chairman of FCPE Eiffage 2011
Bruno Flichy Non-independent director	Director and honorary chairman of Crédit du Nord	Director of: Aviva Participations, Aviva France, Eiffage, Association École Sainte-Geneviève Chairman of L'Association du Grand Montreuil
Jean Guénard Independent director Chairman of Fondation INSA (Lyon)	Honorary deputy chairman of FNTP Director of the Institut National des Sciences Appliquées (Lyon) Director of Fondation INSA	Secretary of the Syndicat des Entrepreneurs des Travaux Publics de France (union representing public works firms), chairman of Eiffaime

Name Main role	Other roles held at 31 December 2018	Other roles held (excluding at Eiffage subsidiaries) over the past five years, now expired
Marie Lemarié Independent director Chief Executive Officer of Scor Life Ireland DAC	Director (executive member of the Board) of Scor Life Ireland DAC	Chair of Scepar (Société Centrale d'Etudes et de Participations) Director of: Groupama Assicurazioni (Italy), Gan Assurances, Gan Prévoyance Permanent representative of: Groupama Investissements on the boards of: Le Monde Entreprises, Cofintex 6, AssuVie Groupama SA on the boards of: Groupama Investissements (chair), Scima-GFA (manager); Sofiproteol (director) Cofintex 2 on the boards of: Groupama Immobilier, Groupama Asset Management Member of the supervisory board of Groupama Biztosito (Hungary) Permanent representative of Groupama Gan-Vie on the boards of: Groupama Private Equity, Assu-vie, Groupama Gan Paris La Défense Office, OFI GB2 Permanent representative of Groupama Investissements on the board of Gan Outre-mer IARD Director of: Groupama Immobilier, Cegid Group, Gan Patrimoine Permanent representative of: Gan Prévoyance on the board of Groupama Asset Management Groupama Gan Vie on the board of Compagnie Foncière Parisienne
Dominique Marcel Independent director Chairman and Chief Executive Officer of La Compagnie des Alpes, listed on Euronext	Chairman of Compagnie des Alpes Domaines Skiables (CDA-DS) Chairman of the Board of Directors of Grévin et Compagnie SA Chairman of the Supervisory Board of Société du Parc du Futuroscope Permanent representative of CDA on the board of La Compagnie du Mont Blanc (CMB) Director of Société du Grand Théâtre des Champs-Élysées (CDC group)	Chairman of the Board of Directors, CDC Infrastructure (CDC group) until 31 March 2015.
Isabelle Salaün Independent director Chair of Nirine Conseil	Director of SMTPC	–
Carol Xueref Independent director Chair of Floem SAS	Director of Ipsen, listed on Euronext	Director of French and foreign subsidiaries in the Essilor International SA group
Odile Georges-Picot Independent director		Permanent representative of Sanef on the boards of ALIS (Autoroute de Liaison Seine Sarthe) SAPN (Société de l'Autoroute Paris Normandie) and Léonord (concession-holder of the ring road north of Lyon)

The directors' expertise and professional experience are summarised in the table below:

Name	Expertise and professional experience
Benoît de Ruffray Chairman and Chief Executive Officer	**Qualifications:** Graduate of the management and engineering schools Ecole Polytechnique and Ecole des Ponts ParisTech, master's degree from Imperial College, London. **Career:** Benoît de Ruffray began his career with the Bouygues group in 1990. He worked at Bouygues Travaux Publics until 2003 in various roles, managing major projects, before heading the Latin America region in 2001. Between 2003 and 2007, he was CEO of Dragages Hong Kong and oversaw Bouygues Travaux Publics' operations in Asia-Pacific and those of Bouygues Bâtiment International in Northern Asia. He was appointed Deputy CEO of Bouygues Bâtiment International in 2008. In March 2015, Benoît de Ruffray was appointed Chief Executive Officer of the Soletanche Freyssinet group. He was appointed Chairman and Chief Executive Officer of Eiffage in January 2016.
Jean-François Roverato Vice-Chairman, Senior Director	**Qualifications:** Graduate of the management and engineering schools Ecole Polytechnique and Ecole des Ponts ParisTech. **Career:** Jean-François Roverato started work as an engineer in the construction department of the French Ministry of Public Works (1969-72). He then became Technical Advisor to the French Secretary of State for Housing (1971-72) before being appointed Senior manager at the social housing provider Office Public d'HLM du Val-de-Marne (1972-74). He took up a position as Director at Guiraudie and Auffève SA (1975) and within the Fougerolle group, renamed Eiffage in 1993, where he worked successively as Senior Manager (1975-80) and then Managing Director (1980-82) at Fougerolle Construction, Managing Director – France (1982), Managing Director of Fougerolle International (1984), Managing Director (1985-87), Chairman and Managing Director (1987-2011), Chairman (2016). Chairman and Chief Executive Officer of the APRR group (2006-11), Chairman of AREA (2006-12). Chairman and Chief Executive Officer of Forclum (1987-89 and 1991-94), Société Chimique de la Route (SCR), Gerland Routes (1994-95) and Société Auxiliaire d'Entreprises (SAE) (1996-98). He held the office of Chairman of the Board of Governors of ENPC engineering school (2006-09), Chairman of the Board of Directors of the Cité Nationale de l'Histoire de l'Immigration (immigration museum located at Porte Dorée in Paris) (2007-09), and Chairman of ASFA, the French association of motorway companies (2009-12).
Thérèse Cornil Independent director	**Qualifications:** Master's degree in private law from Lille. **Career:** Working for semi-public companies, Thérèse Cornil has held various roles in property, construction and urban development. She worked for 16 years at RIVP, initially in support roles (development of agreements, Board secretary), then operational positions (property acquisitions, urban development and property development projects). For the next 18 years, she held the office of Chief Executive Officer of Semapa, the company responsible for developing the Austerlitz-Masséna district of Paris. In 2004, Thérèse Cornil was appointed Chair and Chief Executive Officer of RIVP, where she oversaw its capital and assets restructuring. From 2008 to 2012, she was Chair of CNVF, the French railway development board, which was created to facilitate sales of development land by SNCF to local authorities.
Laurent Dupont Director representing employee shareholders Head of operations	**Qualifications:** Two technical degrees (DUT) in civil engineering and management (1986). **Career:** Laurent Dupont started his career as Works Supervisor (1988-2000); before occupying the positions of Works Manager (2000-02); Area Manager (2002-07); Deputy Chief Operating Officer (2007-12) and Chief Operating Officer (2012-18). He was responsible for the following major projects: Vache Noire E shopping centre (€110 million, 2005-07); Ateliers Hermès (€85 million, 2009-11); and Centre Bus P14° (€110 million, 2014-17).
Bruno Flichy Non-independent director	**Qualifications:** Graduate of the management and engineering schools Ecole Polytechnique and Ecole des Ponts ParisTech, master's degree in engineering from University of California, Berkeley. **Career:** Bruno Flichy started his career as an Engineer for the French Ministry of Public Works from 1964 to 1969 before being appointed Chief of Staff at the French Treasury from 1969 to 1972. He then worked for Société Générale between 1972 and 2002 as Deputy Director of Major Corporate Accounts (1981-1984); Head of Africa, Latin America, Continental Europe (1984-1987); Head of French Network (1991-1995); Deputy Managing Director, Retail and Corporate Clients (1995-1997) and Chairman and Chief Executive Officer, Crédit du Nord (1997-2002). He was a member of the Board for the Conseil de la Concurrence (French competition authority) (2002-08), director of Dexia Banque Belgique (2003-10), Aviva France (2002-16) and has held a directorship at Crédit du Nord since 1997.

Name	Expertise and professional experience
Jean Guénard Independent director Chairman of Fondation INSA (Lyon)	**Qualifications:** Diploma in Civil Engineering, Institut National des Sciences Appliquées (Lyon). **Career:** Jean Guénard spent the first two years of his career with the Hauts-de-Seine public works directorate (DDE) working in road and town planning. He then worked 12 years at EMCC in a variety of domains, including river and maritime works, docks, harbours, dredging, pipelines, special foundations, civil and industrial engineering, holding positions as Works Manager, Branch Manager, Area Manager and Subsidiary Manager, in France and abroad. He has spent the last 30 years in the Eiffage group, initially joining as Regional Manager before being appointed Chief Executive Officer of Quillery, Chairman of Eiffage TP and then of Eiffage Travaux Publics, Chairman of Compagnie Eiffage du Viaduc de Millau as well as Deputy Chairman of the FNTP and the Syndicat des Entrepreneurs de TP de France (union representing public works firms).
Marie Lemarié Independent director Chief Executive Officer of Scor Life Ireland	**Qualifications:** Graduate of Ecole Polytechnique and the Ensae school of management and economics, and of Boston University (master's in Economics). **Career:** Marie Lemarié began her career as an economist (Rexecode) and in asset management (State Street Banque) before joining the international insurance group Aviva in 2003. She then set up and headed the Investment Department at Aviva France, leaving in 2011. In 2012, she joined the French insurance group Groupama, where she is head of investment management, mergers and acquisitions, financing and capital management. In 2018, she joined Scor Life Ireland as Chief Executive Officer.
Dominique Marcel Independent director Chairman and Chief Executive Officer of La Compagnie des Alpes	**Qualifications:** Graduate of the ENA school of administration, qualified French government Treasury auditor, holder of a post-graduate diploma (DEA) in Economic Science and a graduate of the IEP school of politics (Paris). **Career:** After completing his degree at the ENA school of administration, Dominique Marcel joined the French Treasury in 1983 as a civil administrator, advising a number of government departments. In 2000, he joined the Prime Minister's office as Deputy Chief of Staff. He was appointed Head of Finance and Strategy at Caisse des Dépôts in November 2003. During his time in that role, he also sat on the boards of companies including Accor, Dexia and CNP Assurance, and played a key role in the reorganisation of the Banque Populaire and Caisse d'Epargne networks. He became Chairman of La Compagnie des Alpes' Supervisory Board and Strategy Committee in 2005, before becoming Chairman of the Management Board in October 2008 and then Chairman and Chief Executive Officer in March 2009.
Isabelle Salaün Independent director Chair of Nirine Conseil	**Qualifications:** Graduate of Ecole Normale Supérieure and a doctor of mathematics. **Career:** After a spell as a lecturer and researcher at Paris 6 University, Isabelle Salaün began her career as an engineer at Alcatel and then spent 15 years in investment banking, at CCF, Merrill Lynch and Deutsche Bank. In 2006, she joined Natixis as Head of Mergers & Acquisitions. She was then appointed Head of Financial Communications and joined the Executive Board. She is also a lecturer at HEC business school, Paris and Founder of her own consultancy firm, Nirine Conseil.
Carol Xueref Independent director Chair of Floem SAS	**Qualifications:** Master's in private law and holder of a post-graduate diploma (DESS) in International Trade from Paris II University (Assas). **Career:** Carol Xueref was assistant to the Trade Attaché at the British Embassy in Paris (1982-1986) and Head of Division at the International Chamber of Commerce (1986-1990). She was appointed Director for Legal and Tax Affairs at Bbrop in 1990. From 1993 to 1996 she headed the legal department at Crédit Lyonnais and then served as Head of Legal at CDR Immobilier. From 1996 to 2016, Carol Xueref was Head of Legal Affairs and Group Development and then Corporate Secretary at Essilor International, where she was also a member of the Executive Committee. She has been a Board member of the Autorité de la Concurrence (French competition authority) since 2006.
Odile Georges-Picot Independent director	**Qualifications:** Graduate of Sciences Po Paris; master's degree in Economic Science from Paris Sorbonne university. **Career:** Odile Georges-Picot started her career in France's Ministry of Public Works, Housing and Transport and in the Department of Administrative and Financial Affairs (1979-1983), before moving to the Highways Department (1984-1991). She joined motorway concession company Cofiroute in 1991 as Senior Counsel, then as Corporate Secretary. In 2002, she was appointed Deputy CEO of Cofiroute between until 2008, when she joined the Sanef group as head of the Concessions Division, before holding the office of Deputy CEO until 2017.

F. Additional information concerning corporate officers

There are no family ties between the Company's corporate officers. The members of the Board of Directors and General Management perform their duties at the Company's registered office, at 3-7 Place de l'Europe, 78140 Vélizy-Villacoublay, France.

At the time this document was prepared, the Company was not aware of any of the members of the Board of Directors or General Management being, in the last five years, convicted for fraud or associated with a bankruptcy, seizure of assets or liquidation, subject to any criminal charges or official public sanctions ordered by a corporate body or regulatory authority, or prevented by a court from acting as a member of a management, governing or supervisory body or participating in the management or business of any issuer.

G. Conflicts of interest involving directors

As far as the Company is aware, at the time this document was prepared:

- no conflict of interest had been identified between the duties of the members of the Board of Directors and General Management in their capacity as corporate officers of Eiffage and their private interests or other duties. The Board's internal rules expressly provide that each director must inform the Chairman of the Board of any conflict of interest and must agree not to take part in votes on any related resolutions;
- no service contracts or agreements existed between members of the governing bodies and General Management and Eiffage or any of its subsidiaries;
- no arrangements or agreements had been entered into with any of the main shareholders, customers or suppliers under which any of the directors or any member of General Management had been selected for such a position;
- no restrictions had been accepted by the members of the Board of Directors or General Management regarding the sale of their interests in Eiffage (except for shares to be kept in registered form by the Chairman and Chief Executive Officer until the end of his term of office and/or specific provisions in the Group employee savings plans).

In the November 2017 edition of its annual report on corporate governance and executive compensation (page 39), the AMF cited Eiffage as an example of good practice regarding the management of conflicts of interests.

H. Special agreements

The agreements entered into by Eiffage with companies with which it has managers in common concern transactions that are standard between companies belonging to the same group. All new agreements formed since the end of the 2017 are of that nature.

I. Work carried out by the Board of Directors

The Board held five meetings in 2018, two of which were not held at head office. One of those meetings took place on the Grand Hôtel-Dieu worksite in Lyon and the other in Paris following the April 2018 general meeting.

Examples of the Board's work in 2018 include:

1. Financial statements and day-to-day management:

- Review of work carried out by the Audit Committee
- Examination and approval of the annual consolidated and company financial statements at 31 December 2017 and the 2018 interim consolidated financial statements, and review of the Statutory Auditors' reports
- Approval of the sustainable development report
- Approval of the report on transparency in extractive industries
- Examination of the effectiveness of the whistleblower procedure
- Approval of the contents of its various reports to shareholders, preparation and calling of the ordinary and extraordinary general meeting on 25 April 2018, approval of the agenda and resolutions to be put to the shareholders, and approval of the reports to be put to the general meeting
- Regular reviews of the work and recommendations of the Audit Committee, the Appointments and Compensation Committee and the Strategy and CSR Committee
- Approval of the principle that the Statutory Auditors may provide services other than the statutory auditing of the financial statements and delegation of authority to the Audit Committee to ratify such arrangements
- Regular reviews of the Group's operations, current developments, financial situation, plans and debt position
- Examination of changes in laws and regulations and changes affecting reporting to general meetings
- Approval of the two-year extension of the Group's securitisation programme
- Approval of the transaction to refinance the Group's revolving credit facility (RCF) two years early, due to be signed in 2019
- Review of current initiatives regarding Group cybersecurity, IT risks, cyber risks, business continuity and GDPR compliance
- Review of programmes to monitor engineering structures in the Group's various motorway networks in France
- Discussions about how Brexit would affect the Group
- Consideration of reports provided by its Chairman, Benoît de Ruffray, as the director responsible for shareholder relations, regarding his discussions with Group shareholders
- Authorisation of the renewal of the powers granted to the Chairman and Chief Executive Officer for sureties, endorsements and guarantees, and approval of guarantees

2. Corporate governance and compensation:

- Review of the work carried out by the Appointments and Compensation Committee
- Assessment of the independence of its members in line with the criteria of the AFEP-Medef Code
- Determination of Benoît de Ruffray's variable compensation for the 2017 financial year and discussion about the neutralisation of additional profit arising from non-current deferred tax when calculating his compensation
- Confirmation that the formula used to calculate Benoît de Ruffray's variable compensation for the 2016, 2017 and 2018 financial years, as adopted by the shareholders at the 2018 general meeting, was still valid for 2018
- Confirmation of Benoît de Ruffray's fixed compensation and long-term variable compensation (principles, eligibility criteria and amounts)
- Validation of the Appointments and Compensation Committee's work to prepare principles and criteria for Benoît de Ruffray's compensation for 2019-2021, to be put to the general meeting of 24 April 2019
- Approval of the update to the succession plan for the executive corporate officer
- Change to the composition of the Strategy and CSR Committee
- Approval for holding an additional annual meeting of the Audit Committee
- Definition of the timetable for Board and Board committee meetings in 2019
- A meeting, which was not attended by the executive corporate officer, chaired by the Vice-Chairman and Senior Director
- Discussion of action to be taken in view of the votes cast in the general meeting of 25 April 2018
- Discussion of the Board's operating procedures

3. Employee share ownership:

- Definition of the subscription price for shares to be issued under the Group savings plan
- Review of the results of the 2018 employee share ownership programme
- Validation of the principle of an employee share ownership programme in 2019
- Definition of the reference price and terms and conditions of a bonus share plan

4. Strategy and acquisitions:

- Review of the work carried out by the Strategy and CSR Committee
- Review of the various studies and work concerning the Group's competitors
- Review of Group strategy
- Examination and, where appropriate, authorisation of a number of external acquisition opportunities within the contracting and concessions activities in France and around the world
- Authorisation of binding offers in relation to various acquisitions
- Authorisation of a binding offer for the Route Centre Europe Atlantique (RCEA) project
- Approval of the increase in the Group's financing resources
- Authorisation of the Kropman, Priora and Meccoli acquisitions
- Authorisation of the acquisition of a 5.03% stake in Getlink

5. The Board also:

- Examined changes to share capital
- Authorised the share buyback programme
- Examined the Group's shareholder structure
- Authorised the cancellation of 1,937,350 Eiffage shares
- Authorised the issue of sureties and guarantees

As regards the process for renewing the appointments of Statutory Auditors, the Board was duly informed of and approved the Audit Committee's recommendations. The Board also monitored progress with that process. The Board received the Committee's recommendations and accepted its preference, with the Chairman and Chief Executive Officer not taking part in the vote, in accordance with applicable statutory provisions.

At its meeting on 28 February 2018, the Board also elected its chairman, Benoît de Ruffray, as the director responsible for shareholder relations. Benoît de Ruffray reported to the Board about various events (roadshows and conferences) and the main interactions with the Group's major shareholders.

As it does every three years, the Board arranged for a third party to assess its work in its meeting on 12 December 2018. In that meeting, the Board assessed the effective contribution of each director to the Board's work and discussed the activities of the Vice-Chairman and Senior Director as well as the Board's relationship with him.

The assessment questionnaires completed by the directors revealed that:

- the composition of the Board is consistent with the AFEP-Medef recommendations followed by the Company;
- recommendations made following previous assessments of the Board (directors' terms of office, increased number of female Board members, minutes of committee meetings) have been implemented.

The table below presents the recommendations made in 2017 and action taken:

Suggested improvements made in 2017	Follow-up action
Organisation of a board meeting to take place on a worksite	Implemented
Organisation of an enhanced annual review of the Group's strategic orientations	Implemented

- the Board members were generally very satisfied or satisfied with the Board and its operating procedures, although they have suggested certain additional improvements:
  - Documents relating to strategic matters should be provided earlier, if possible
  - Succession plans should be discussed more frequently
  - There should be greater interaction with the Group's executives

Board members' involvement in the Board's work, the quality of their contributions and input as well as their understanding of the issues were judged satisfactory overall.

Following this assessment, the Chairman and Chief Executive Officer submitted proposals regarding changes in the Board's operating procedures, which were accepted by the Board.

The Board is assisted by three specialist committees. The Board and its committees each have their own sets of rules and regulations, which define matters such as the frequency of meetings, their main purpose and the information to be presented at such meetings. The Board reviews these rules and regulations from time to time to ensure they remain compliant with industry practices and recommendations.

They were last updated at the Board meeting held on 27 February 2019. The Board of Directors' internal rules are available on the Eiffage website (www.eiffage.com).

The Board's internal rules also contain rules on attendance and confidentiality, together with rules on directors' ownership of and trading in the Company's shares and other securities. They also list the decisions and commitments that require prior approval by the Board (major projects falling outside of the scope of the Company's announced strategy, execution of any acquisition transaction involving an investment of more than €30 million – although investments of less than €150 million may be approved by the Strategy and CSR Committee instead of the Board – or of any smaller acquisitions when the target company's type of business, revenue, number of employees, level of indebtedness or potential associated risks could have a material impact on the Group's business and profitability).

The internal rules also stipulate that the following information must be regularly submitted to Board meetings or, if need be, to directors outside of a Board meeting:

- Annual budgets and periodic plans
- Reviews of business operations, the order book, revenue and earnings
- Financial situation, including the cash position and commitments
- Occurrence of any event that may have a material impact on the Group's consolidated results
- Any document released to the general public, including information intended for shareholders
- Developments in the markets and competitive context as well as the main associated challenges, including in relation to the Company's corporate social and environmental responsibility

Each director may ask to meet with senior managers within the Group, without the presence of the Group management team if appropriate, provided the Chairman and Chief Executive Officer is given advance notice thereof.

With regard to the management of conflict of interest situations, the Board's internal rules stipulate that whenever there is or may be a conflict between the Company's interest and a director's direct or indirect personal interest or that of the shareholder or group of shareholders that they represent, the director must:

- inform the Board as soon as they become aware of the conflict of interest;
- take the appropriate action with regard to their office. Accordingly, depending on the situation, they must:
  - refrain from taking part in discussions and voting on any related matters,
  - not attend meetings of the Board of Directors for as long as the conflict of interest persists,
  - resign from their role as director.

A director's liability may be invoked if they fail to comply with these rules to abstain or withdraw. In addition, the Chairman of the Board of Directors may choose to not disclose to any director(s) about whom he has serious reasons to believe may be in a conflict of interest any information or documents relating to involvement in or formation of the agreement resulting in the conflict of interest. He will inform the Board of Directors of any such non-disclosure.

I. General Management

The Board decided at its meeting on 9 December 2015 to combine the offices of Chairman and Chief Executive Officer with effect from 18 January 2016, the date on which Benoît de Ruffray took office. The decision simplified the Group's operational management following Benoît de Ruffray's appointment.

Alongside the combination of the offices of Chairman and Chief Executive Officer, the Board decided at its meeting of 29 August 2012 to create the office of Senior Director, who also has the title of Vice-Chairman, with the tasks described above in the section "Role of the Vice-Chairman and Senior Director".

During the temporary separation of the roles of Chairman and Chief Executive Officer, the office of Senior Director was suspended before being reinstated on 18 January 2016. Jean-François Roverato currently holds the position of Senior Director.

II. Board committees

The Board of Directors has set up three specialist committees to prepare resolutions put to the Board, express opinions and make recommendations. Each committee's chair reports to the Board on its work, findings and recommendations.

The Board's organisational structure is presented below:

Board of Directors

Audit Committee	Strategy and CSR Committee	Appointments and Compensation Committee
Created on 17/12/1997 Five meetings per year Membership at 27/02/2019	Created on 08/09/2004 Six meetings per year Membership at 27/02/2019	Created on 17/12/1997 Five meetings per year Membership at 27/02/2019
Five members:	Six members:	Four members:
Isabelle Salaün Chair - independent	**Jean Guénard** Chair - independent	**Carol Xueref** Chair - independent
Marie Lemarié independent	**Benoît de Ruffray** Chairman and Chief Executive Officer	**Thérèse Cornil** independent
Dominique Marcel independent	**Jean-François Roverato** Vice-Chairman and Senior Director	**Jean Guénard** independent
Bruno Flichy non-independent	**Carol Xueref** independent	**Laurent Dupont** Director representing employee shareholders
Laurent Dupont Director representing employee shareholders	**Odile Georges-Picot** independent	
	Bruno Flichy non-independent	

III. Audit Committee

The Audit Committee examines the company and consolidated financial statements before they are submitted to the Board of Directors, along with internal procedures for compiling and checking accounting information, and the terms and conditions of assignments carried out by external auditors. To this end, it meets with the Statutory Auditors without the presence of management at least once a year, including at each accounts closing.

It oversees the procedure for selecting and re-appointing the Statutory Auditors, and makes recommendations regarding their appointment and re-appointment.

It ratifies the provision by the Statutory Auditors of services other than the statutory auditing of the financial statements, after the Board has defined and approved the services in principle.

It has specific responsibility for monitoring the effectiveness of internal control and risk management systems, and periodically reviews the Group's audit and internal control policies as well as validating the related plans and resources. Twice a year it examines the work and findings of Internal Audit and Risk Management, as well as the key performance indicators used to monitor implementation of the related recommendations.

The Audit Committee is composed of five directors, three of whom, including the Chair, are independent directors who are skilled in financial or accounting matters or in statutory auditing given their qualifications and/or professional experience.

The Audit Committee complies with the recommendation concerning the proportion of independent members, as three quarters of its members are independent directors. Laurent Dupont is not included in the calculation because he is the director representing employee shareholders.

The Audit Committee met five times in 2018. Meetings are held at least two calendar days before the Board meets. The main purpose of the meetings was to test goodwill and review the accounting methods, internal control and the preparation of the annual and

interim financial statements to be presented to the Board of Directors. The Statutory Auditors attended meetings to explain the main findings of the statutory audit and the accounting options used, and representatives of the Group's Finance, Accounting, Tax, Treasury/Financing and Internal Audit departments also attended. The Committee also met with the Statutory Auditors without the presence of management, as it does at each accounts closing.

The Audit Committee specifically reviewed the following items :

1. Financial statements:

- changes to the accounting principles and methods used in 2018, and new standards to be introduced in 2019 (IFRS 16);
- provisions in excess of €1 million and major disputes;
- outstanding receivables;
- the presentations by the Statutory Auditors explaining the main findings of the statutory audit and the accounting options selected.

The Committee also holds discussions with the Statutory Auditors without the presence of management at each accounts closing.

2. Commitments:

- the Group's property commitments;
- refinancing and hedging transactions;
- compliance with financial covenants;
- changes in the cash position;
- changes in the Group's financing resources;
- provisions for the renewal of assets at APRR and AREA.

3. Financial communication:

- the 2018 and 2019 financial communication calendar;
- the management report (including the report on internal control and risk management in 2018);
- the Group's financial communication materials.

4. Regulatory intelligence:

- consequences of the audit reform;
- consideration of various aspects of the approval procedure for services other than the statutory auditing of the financial statements;
- validation at each committee meeting of the Statutory Auditors' work performed since the last committee meeting, other than the statutory auditing of the financial statements;
- statutory and regulatory changes;
- reading of the report by the Board of Directors on corporate governance.

5. Risk management:

- review of Internal Audit actions, 2018 results and the 2019 programme;
- risk management with the Internal Control department and the Risks Committee;
- effectiveness of the New Business Risks Committee;
- implementation of measures required by the Sapin 2 Act;
- ongoing initiatives to prevent fraud, and ethics training;
- the deployment of shared service centres and various initiatives relating to the centralisation and optimisation of support services (accounts and payroll);
- current initiatives regarding Group cybersecurity, IT risks, cyber risks, business continuity and GDPR compliance;
- review of programmes to monitor engineering structures in the Group's various motorway networks in France;
- review of the Group's financing and refinancing transactions and initiatives;
- the Code of Conduct.

6. Audit tendering process

The Committee was involved in the audit tendering process that took place in 2018. It approved the appropriateness, operational procedure and each key stage of the tendering process, which was carried out under its supervision.

Four of its five meetings in 2018 included a specific item on the agenda relating to auditor appointments.

After discussing and addressing questions regarding the various options, the Committee recommended holding a tendering process led by the Audit Department in order to renew the terms of office of one or two of the current audit firms for a six-year term. Five audit firms were consulted. The timetable for the entire process was discussed and approved. To increase efficiency, the tendering process was paperless.

The Committee viewed various management presentations and simulations regarding the renewal of the Group's auditors in France in order to have the best possible understanding of the impact arising from the handover and changes between various candidates.

The Chair of the Audit Committee received each candidate's bid, and attended the presentations made by each candidate. The Committee assessed the quality of the candidates' bids.

The Audit Committee stated that its decision was not influenced by any third party and that no contractual clause restricted its choice.

At the end of the selection process, the Audit Committee prepared a recommendation and its preference, which it submitted to the Board of Directors so that it could appoint the Statutory Auditors. In accordance with legislation, the decision will be reproduced in the Director's report presenting the resolutions to be put to the general meeting.

The recommendation and preference that the Audit Committee presented to the Board were unanimously adopted by the Board.

The Chairman and CEO did not take part in the vote.

The Committee may also seek advice from third party experts.

The Committee's chair initiated an assessment of the Committee's work through a questionnaire. The following suggestions were made:

- The impact of an increase in interest rates on the Group's profitability should be assessed
- Further analysis should be carried out on off-balance sheet commitments and certain material disputes
- Internal control should be audited at regular intervals

The Board of Directors approved these suggestions in its meeting of 12 December 2018.

IV. Strategy and CSR Committee

The Strategy and CSR Committee has responsibility for examining projects involving major acquisitions, investments and divestments. In accordance with Article 2 of Appendix 3 to the internal rules, "it [the Strategy and CSR Committee] examines projects involving major acquisitions or investments and prepares, when necessary, the Board meeting prior to finalisation of said projects in accordance with Article 2 of the Board's internal rules – .../... More specifically, the Board of Directors must meet prior to the finalisation of any acquisition involving an investment of over €30 million; however, projects involving an investment of less than €150 million may be referred to the Strategy Committee instead .../..."

The Committee is also consulted about major restructuring measures within the Group and it examines periodic management reports as well as budgets and forecasts. It consists of six members, three of whom are independent. The Chair reports to the Board on the Committee's work, findings and recommendations.

The Committee, chaired by Bruno Flichy, met six times in 2018, and considered, among other things, the following items:

- The 2018 draft budget
- Plans for acquisitions and disposals in Contracting
- Plans for acquisitions and disposals in Concessions, including the acquisition of a 5.03% stake in Getlink
- The Group's strategic plan
- Changes in reporting and performance indicators
- The Group's sustainable development policy
- The Group's strategy concerning Grand Paris projects
- The organisation and strategy of the Energy Systems division
- The organisation and strategy of Eiffage Route
- The organisation and strategy of the Construction division
- The organisation and strategy of Eiffage in Europe
- The CSR and innovation policy
- Policies, resources and objectives in terms of financial communication, investor relations and analyst relations
- Policies, resources and objectives in terms of communication, including through digital channels
- The consequences for the Group of certain mergers and acquisitions in Europe

V. Appointments and Compensation Committee

The Appointments and Compensation Committee makes proposals concerning the appointment of, and fixed and variable compensation to be paid to, the Chairman of the Board of Directors, the Chief Executive Officer and any Deputy Chief Executive Officer(s). When necessary, it issues recommendations on the total amount of board fees awarded to directors and the basis on which they are split between the directors.

Documents detailing plans to award share purchase or subscription options and bonus shares are submitted to the Committee before being presented to the Board of Directors.

The Committee studies applications and makes proposals to the Board of Directors regarding the appointment or re-appointment of Board members, in particular concerning the selection of independent directors and their independent status.

Most members of the Committee are therefore independent, as recommended by the AFEP-Medef Code. Laurent Dupont is not included in the calculation because he is a director representing employee shareholders. In addition, the executive corporate officer, Benoît de Ruffray, works alongside the Appointments and Compensation Committee and presents to it, *inter alia*, the policy on compensation paid to the main executives who are not corporate officers.

The Committee held five meetings in 2018, one of which was not held at head office, in which it addressed the following matters:

- The composition of committees
- Applications by candidates for senior management positions within the Group
- Compensation, including performance conditions associated with bonus shares awarded to the executive corporate officer
- Benoît de Ruffray's variable compensation for the 2018 financial year
- Confirmation that the formula used to calculate Benoît de Ruffray's variable compensation for the 2016, 2017 and 2018 financial years, as adopted by the shareholders at the 2018 general meeting, is still valid
- Formulation of a new compensation structure for Benoît de Ruffray (principles, criteria and amounts) for 2019, 2020 and 2021, to be put to the general meeting on 24 April 2019
- Approval of the succession plan for the executive corporate officer, who remains in office despite the departure of the Deputy Chief Executive Officer
- Implementation of a bonus share plan for certain Group employees
- Review of regulations on the transparency of compensation paid to corporate officers
- Compensation paid to members of the Executive Committee
- Organisation of the Energy Systems division
- Organisation of the Infrastructure division following the departure of its chairman
- Review of the independent status of directors and applicants for seats on the Board of Directors in light of the criteria set out in the AFEP-Medef Code of Governance

On the initiative of the Appointments and Compensation Committee, a comparison of Benoît de Ruffray's compensation structure (fixed, short-term variable, long-term variable and other benefits) covering France and Europe was carried out in 2018. It was published in the 2017 Registration Document.

The study showed that Benoît de Ruffray's overall compensation was entirely comparable to the sample average, taking into account all of its components. However, the Board wishes to make certain improvements, identified in the study:

- At its meeting of 28 February 2018, the Board approved the recommendation and proposal presented by the Appointments and Compensation Committee to change the performance condition applying to long-term variable compensation, and switch to a multi-criteria formula with effect from 2018.

  The parameters have therefore changed in the following ways:

Criterion	Weighting	Composition	Changes in 2018 compared with 2016 and 2017
C1 Based on the absolute change in net earnings per share	50%	If Eiffage's earnings per share increases by at least 25% between the plan's initial and final award dates, the criterion is satisfied. If earnings per share increases by between 10% and 25%, the criterion is partially satisfied and a sliding scale will be applied to determine the number of shares finally awarded. Below 10%, the criterion is not satisfied and the corresponding part of the award will be cancelled.	New element
C2 Based on Eiffage share price's performance compared with the CAC 40	25%	If the 100-day average Eiffage market share price outperforms the 100-day average for the CAC 40 as a whole by at least 10% between the plan's initial and final award dates, the performance criterion is satisfied. If Eiffage's share-price performance falls within 10% above or below the performance of the CAC 40, the criterion is partially satisfied and a sliding scale will be applied to determine the number of shares finally awarded. If it underperforms by more than 10%, the criterion is not satisfied and the corresponding part of the award will be cancelled.	New element
C3 Based on the absolute Eiffage share price	25%	If the 100-day average Eiffage market share price at the final award date is higher than it was at the start of the plan, the performance criterion is satisfied. If it is between 100% and 50% of the initial price, the criterion is partially satisfied and a proportionate reduction will be applied. Below 50%, the criterion is not satisfied and the corresponding part of the award will be cancelled.	Pre-existing element
Vesting period		Three years after the initial award date.	Pre-existing element
Minimum lock-in period		Two years after the end of the vesting period.	Previously one year
Minimum number of securities to be held until the term of office ends		The minimum number of securities that the corporate officer must hold until his term of office ends corresponds to 50% of each award, until he holds the equivalent of three times his fixed annual salary.	Previously 10% of an award
Use of hedging techniques		Prohibited until his term of office ends.	Pre-existing element

Furthermore, the Committee has recommended that no changes be made to elements that do not currently form part of Benoît de Ruffray's total compensation package (complementary pension, severance pay, non-compete agreement, etc.).

Approval of the principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components of total compensation and benefits in kind attributable to the Chairman and Chief Executive Officer for the 2019-2021 period. These principles will be put to the general meeting of 24 April 2019.

Continuing its improvement efforts and taking into account learnings from the 2018 comparative study, the Committee proposed the following components covering the 2019-2021 period to the Board, which approved them in its 27 February 2019 meeting.

In each case, the components are compared with the current situation, using the same tables and classifications to make them easier to understand:

Compensation components paid or awarded	Description of the principles and criteria approved by the general meeting of 25 April 2018 and in place for the 2016-2018 period	Comments and changes	Description of the principles and criteria put to the general meeting of 24 April 2019 for the 2019-2021 period
Fixed compensation	€900,000	No change Amount unchanged since 2008	€900,000
Annual variable compensation	The variable compensation paid to Benoît de Ruffray is based on three quantitative and qualitative criteria and cannot exceed his fixed compensation (full details in the table below).	Addition of a fourth criterion Addition of an upper limit for each of the four criteria Change in criteria percentages Change in the overall upper limit	The variable compensation paid to Benoît de Ruffray is based on four quantitative and qualitative criteria. Each of the four criteria can only have a positive effect and is capped at 40% of the overall upper limit. Together, the four criteria are capped at 140% of fixed compensation (full details below).
Multi-year variable compensation in cash	None	No change No multi-year variable compensation has been paid or is payable to Benoît de Ruffray in cash.	None
Exceptional compensation	None	No change No exceptional compensation has been paid or is payable to Benoît de Ruffray.	None
Stock options, bonus shares and any other securities awarded	Benoît de Ruffray is eligible for bonus share and/or stock option grants subject to performance conditions via a formula based on multiple criteria (external and internal) No upper limit (full details below).	Addition of an overall upper limit.	Benoît de Ruffray is eligible for bonus share and/or stock option grants subject to performance conditions via a formula based on multiple criteria (external and internal) Capped at 200% of fixed compensation (full details below).
Board fees	None	No change No board fees have been paid or are payable to Benoît de Ruffray.	None
Benefits in kind	Present	No change Benoît de Ruffray is provided with a company car.	Present
Severance pay	None	No change The Company has not made any commitment to award severance pay when Benoît de Ruffray ceases to be Chairman and Chief Executive Officer.	None
Non-compete compensation	None	No change Benoît de Ruffray does not have a non-compete agreement.	None
Complementary pension plan	None	No change Benoît de Ruffray does not benefit from a complementary pension plan.	None

Description of Benoît de Ruffray's variable compensation for the 2019-2021 period:

Item	Description of the principles and criteria approved by the general meeting of 25 April 2018 and in place for the 2016-2018 period	Comments and changes	Description of the principles and criteria put to the general meeting of 24 April 2019 for the 2019-2021 period
1	1.5‰ of operating profit on ordinary activities in excess of €1,400 million (basis: December 2015) No upper limit	Change in the formula so that: • there is a minimum annual figure, and • an upper limit equal to 40% of the overall upper limit is introduced	3‰ of operating profit on ordinary activities in excess of the previous year's figure Capped at 40% of the overall upper limit
2	4‰ of profit attributable to the equity holders of the parent in excess of 10% of average shareholders' equity during the year (average based on the opening and closing balance sheets) No upper limit	Change in the formula so that: • there is a minimum annual figure, and • an upper limit equal to 40% of the overall upper limit is introduced	1.5‰ of profit attributable to the equity holders of the parent in excess of 10% of average shareholders' equity during the year (average based on the opening and closing balance sheets) Capped at 40% of the overall upper limit
3	Qualitative element, set by the Board of Directors in light of various non-financial criteria such as the Group's achievements in various areas: work safety record, staff motivation, absenteeism, etc. Capped at 30% of the overall upper limit	Change to the criterion: • addition of staff turnover, subscription rate in employee share ownership campaigns and carbon footprint, and • increase in the upper limit from 30% to 40% of the overall upper limit	Qualitative element, set by the Board of Directors in light of various non-financial criteria such as the Group's achievements in various areas: work safety record, staff motivation, absenteeism, staff turnover, subscription rate in employee share ownership campaigns and carbon footprint Capped at 40% of the overall upper limit
4		New quantitative criterion taking into account the year-on-year change in the working capital requirement	3‰ of the change in the Group's working capital requirement Capped at 40% of the overall upper limit
	Lower limit of 0 for any individual elements that would otherwise be negative	No change	Lower limit of 0 for any individual elements that would otherwise be negative
	Capping of variable compensation in line with maximum fixed compensation	Change in upper limit	Capping of variable compensation in line with the upper limit of 140% of fixed compensation

Description of conditions applicable to Benoît de Ruffray in the event of an award of bonus performance shares and/or stock options for the 2019-2021 period:

Item	Description of the principles and criteria approved by the general meeting of 25 April 2018 and in place for the 2016-2018 period	Comments and changes	Description of the principles and criteria put to the general meeting of 24 April 2019 for the 2019-2021 period
Upper limit at the time of the award	None	Addition of an upper limit	The award is capped at 200% of annual fixed compensation
Criteria	Presence of at least one criterion	Addition of detailed criteria	Presence of several external and internal criteria
Minimum number of securities to be held until the term of office ends	None	Addition of a minimum figure	The minimum number of securities that the corporate officer must hold until he ceases to hold office corresponds to 50% of each award, until he holds the equivalent of three times his fixed annual salary
Use of hedging techniques	None	Addition of a prohibition	Prohibited until his term of office ends

J. Corporate officers' total compensation packages

On 10 December 2008, Eiffage's Board of Directors agreed to follow the recommendations set out in the AFEP-Medef Code concerning the compensation of corporate officers. The compensation paid to the corporate officers, and the board fees awarded to the members of the Board of Directors for the 2018 financial year are presented in the tables below.

In line with the recommendations set out in Article 26.2 of the AFEP-Medef Code on the corporate governance of listed companies, as updated in June 2018, which the Company uses as a framework for reference, the fixed compensation and all elements forming the compensation and benefits in kind payable to Eiffage's Chairman and Chief Executive Officer were approved by the ordinary and extraordinary general meeting of 25 April 2018, in the seventh resolution. This policy was valid for the 2016, 2017 and 2018 financial years, and the details set out below result from a strict application of this policy, as approved by the general meeting.

Moreover, shareholders will be asked to vote on these provisions at the general meeting of 24 April 2019 for the 2018 financial year (ex post vote). The approval of the principles and guidelines used to determine and structure the fixed, variable and exceptional components and benefits in kind payable to the Chairman and Chief Executive Officer and any other executive corporate officer for the 2019-2021 (ex ante vote) will be put to shareholders in the 24 April 2019 general meeting.

Note that with regard to stock options and bonus share awards, the currently valid authorisations place a specific cap on awards to corporate officers and prohibit use of hedging techniques, in line with the most recent recommendations of the AFEP-Medef Code.

The principles and criteria applicable to the components of total compensation and benefits in kind payable to the Chairman and Chief Executive Officer in respect of that role, for the years 2016 to 2018, set by the Board of Directors further to the recommendations made by the Appointments and Compensation Committee, taking into account the key compensation principles and criteria contained in the AFEP-Medef Code and as approved by the general meetings of 25 April 2018, 19 April 2017 and 20 April 2016, are as follows:

Item	Description of the principles and criteria approved by the general meeting of 25 April 2018
1	Fixed compensation, currently amounting to €900,000 a year, unchanged for the Chairman and Chief Executive Officer of Eiffage since 2008.
2	Variable compensation, based on two financial components and one qualitative component. None of these components may be negative, while the third component must not exceed 30% of the annual fixed compensation and the three components, when taken in aggregate, must not exceed the annual fixed compensation for that year. i. The first corresponds to 1.5‰ of operating profit on ordinary activities in excess of €1,400 million (basis: December 2015). ii. The second corresponds to 4‰ of profit attributable to the equity holders of the parent in excess of 10% of average shareholders' equity during the year (average based on the opening and closing balance sheets).* iii. The third is qualitative and set by the Board of Directors in light of various non-financial criteria such as the Group's achievements in various areas: work safety record, staff motivation, absenteeism, etc.** * When there has been an increase or decrease in consolidated shareholders' equity during the year as a result of one-off financial transactions, the effects of these transactions will be adjusted. ** This component will also factor in external circumstances outside the control of Benoît de Ruffray that have influenced the Company's results.
3	The Chairman and Chief Executive Officer has the use of a company car.
4	The Chairman and Chief Executive Officer will be eligible for stock option plans and/or bonus share plans as may be decided by the Board of Directors, in each case subject to performance conditions.
5	The Chairman and Chief Executive Officer will not be entitled to: – Board fees – Multi-year variable compensation in cash – Severance pay – Non-compete compensation – A complementary pension plan or hiring benefits referred to in Article L. 225-42-1

Concerning Benoît de Ruffray in his role as Chairman and Chief Executive Officer in 2018, the next chart summarises the compensation due or paid in respect of the year ended, in compliance with the principles and criteria approved by the general meeting of 25 April 2018. That compensation will be submitted to shareholders for approval in the 24 April 2019 ordinary and extraordinary general meeting, it being stipulated that the effective payment of the annual variable compensation is dependent on that approval.

Compensation components paid or awarded in respect of the year ended	Amount or accounting valuation put to the general meeting of 24 April 2019, in line with the principles and criteria approved by the general meeting of 25 April 2018	Remarks	Reminder of compensation for 2017, as approved by the general meeting of 25 April 2018
Fixed compensation	€900,000 (paid)	Amount unchanged since the appointment of Benoît de Ruffray.	€900,000 (paid)
Annual variable compensation	€900,000 (to be paid)(1)	The variable compensation paid to Benoît de Ruffray is based on quantitative and qualitative criteria(2) and cannot exceed his fixed compensation.	€900,000 (paid)
Multi-year variable compensation in cash	None	No multi-year variable compensation has been paid or is payable to Benoît de Ruffray in cash.	None
Exceptional compensation	None	No exceptional compensation has been paid or is payable to Benoît de Ruffray.	None
Stock options, bonus shares and any other securities awarded	€2,029,375 (accounting valuation)	25,000 bonus shares were awarded to Benoît de Ruffray, subject to performance conditions.(3)	€1,848,600 (accounting valuation)
	None	No stock options or any other element of long-term compensation have been awarded to Benoît de Ruffray.	None
Board fees	None	No board fees have been paid or are payable to Benoît de Ruffray.	None
Benefits in kind	€2,825 (accounting valuation)	Benoît de Ruffray has the use of a company car.	€2,790 (accounting valuation)
Severance pay	None	The Company has not made any commitment to award severance pay when Benoît de Ruffray ceases to be Chairman and Chief Executive Officer.	None
Non-compete compensation	None	Benoît de Ruffray does not have a non-compete agreement.	None
Complementary pension plan	None	Benoît de Ruffray does not benefit from a complementary pension plan.	None

(1) The variable portion of this compensation will only be paid to Benoît de Ruffray after a resolution is adopted by the ordinary and extraordinary general meeting of 24 April 2019 concerning the various components of compensation paid or due to him for 2018 in respect of his role.
(2) Details concerning the performance conditions determining Benoît de Ruffray's variable compensation are provided below, and are consistent with the principles and criteria approved by the general meeting of 25 April 2018.
(3) Details concerning these performance conditions are provided below.

It was decided that Benoît de Ruffray would receive an annual gross fixed compensation of €900,000 as Chairman and Chief Executive Officer. The amount paid to Eiffage's Chairman and Chief Executive Officer in fixed compensation is reviewed every year, but has remained unchanged since 2008.

Benoît de Ruffray's variable compensation for 2018 is detailed below and is based on three components, two quantitative and one qualitative. None of these components may be negative, while the third component must not exceed 30% of the annual fixed compensation and the three components, when taken in aggregate, must not exceed the annual fixed compensation for that year.

Item	Details of 2018 variable compensation, which is capped at the amount of fixed annual compensation paid for 2018, which has not changed since 2008	Amount for 2018 put to the general meeting of 24 April 2019, in line with the principles and criteria approved by the general meeting of 25 April 2018	Reminder of compensation for 2017, as approved by the general meeting of 25 April 2018[3]
1	1.5‰ of operating profit on ordinary activities in excess of €1,400 million (basis: December 2015)	€620,578[3]	€456,782
2	4‰ of profit attributable to the equity holders of the parent in excess of 10% of average shareholders' equity during the year (average based on the opening and closing balance sheets)[1]	€706,898[4]	€480,555
3	Qualitative element, set by the Board of Directors in light of various non-financial criteria such as the Group's achievements in various areas: work safety record, staff motivation, absenteeism, etc.[2]	€120,000	€60,000
	Capping of variable compensation in line with maximum fixed compensation	€(547,476)[5]	€(97,337)[5]
Total		**€900,000**	**€900,000**

(1) When there has been an increase or decrease in consolidated shareholders' equity during the year as a result of one-off financial transactions, the effects of these transactions will be adjusted.

(2) This component will also factor in external circumstances outside Benoît de Ruffray's control that have influenced the Company's results.

(3) Details of the formula: 1.5‰ × [1,857,381 – (1,400,000 (103.16/100.04))]

(4) After neutralisation of the impact of adjustments for non-current deferred tax in 2017, the formula is:
4‰ × [629,059 - 10% ((4,290,305 + 4,756,346)/2)]

(5) Benoît de Ruffray's variable annual compensation is capped at the amount of his fixed compensation, i.e. €900,000, which led to an adjustment after application of the formula.

Changes to aggregate amounts used in the variable annual compensation formula since 2015 (formula reference year for 2016, 2017 and 2018) are listed below, along with the compensation components. Benoît de Ruffray took office on 18 January 2016.

Aggregate amounts used in the variable short-term compensation formula since 2015

In millions of euros	2015 (Δ 2014)	2016 (Δ 2015)	2017 (Δ 2016)	2018 (Δ 2017)
Operating profit on ordinary activities	1,431 (+6.2%)	1,597 (+11.6%)	1,732 (+8.5%)	1,857 (+7.2%)
Net profit attributable to the equity holders of the parent	312 (+13.5%)	416* (+33.3%)	515* (+23.8%)	629 (+22.1%)
Shareholders' equity at end of year	3,197 (+10.2%)	3,642 (+12.2%)	4,290 (+17.7%)	4,756 (+10.9%)

* After neutralisation of the impact of adjustments for non-current deferred tax, giving an additional profit of €59 million for 2016 and €33 million for 2017.

Benoît de Ruffray's compensation components since he took office on 18 January 2016

In thousands of euros	2016 (Δ 2015)	2017 (Δ 2016)	2018 (Δ 2017)
Fixed compensation	861 (NC)	900 (0%)	900 (0%)
Short-term variable compensation	652 (NC)	900 (NC)	900 (0%)
Valuation of bonus shares subject to performance conditions	689 (NC)	1,849 (NC)	2,029 (+9.8%)
Valuation of benefits in kind (company car)	3 (NC)	3 (NC)	3 (0%)
Total compensation	2,205 (NC)	3,652 (NC)	3,832 (+5.0%)

NC: not calculable because 2016 was an incomplete and transitional year due to Benoît de Ruffray taking office on 18 January 2016.

For the 2018 financial year, at its meeting of 27 February 2019 and in compliance with the above-mentioned principles and criteria and in view of his satisfaction of the performance criteria, the Board discussed and approved a proposal by the Appointments and Compensation Committee to set Benoît de Ruffray's variable compensation for 2018 as Chairman and Chief Executive Officer at €900,000 (compared with €900,000 for 2017).

Neither the corporate officers nor any Group employees receive a sign-on bonus, severance pay or specific complementary pension benefits.

As required by law, the variable portion of this compensation will only be paid to Benoît de Ruffray after a resolution is adopted by the general meeting of Eiffage shareholders held on 24 April 2019 concerning the various components of compensation paid or due to him for 2018 in respect of his role.

Shares and stock options

Benoît de Ruffray is the only corporate officer to have received bonus shares at 31 December 2018 under the bonus share plans introduced by Eiffage SA. There are no bonus share plans in place in any of the other Group companies. In its meeting of 25 April 2018, and pursuant to the authorisation granted to it by the general meeting of 20 April 2017, the Board approved the introduction of a bonus share plan for a significant number of Group employees and for Benoît de Ruffray. The plan is open to 1,286 people (i.e. almost 2% of Group employees) in two sub-plans for a total of 291,150 shares, i.e. 0.30% of the share capital, as follows:

- For the "Managers" plan (which includes Benoît de Ruffray), if the share price falls, the final number of shares awarded at the end of the vesting period will be reduced as described in the tables below.
- For the "Group" plan, if the share price falls, the final number of shares awarded at the end of the vesting period will be reduced in proportion to the amount of the fall in the share price, but must be at least equal to 50% of the number of shares initially awarded.

Plan name	Number of beneficiaries	Number of shares awarded
Managers	12	70,400
Group	1,274	220,750
Total	**1,286**	**291,150**
Of which awarded to the ten Group employees who are not corporate officers and who were awarded the greatest number of shares		43,700

With regard to Benoît de Ruffray, the features and performance conditions of the plan are tougher than those for 2016 and 2017.

	Number of bonus shares awarded to Benoît de Ruffray	Performance condition
July 2016 plan	15,000	Yes
August 2017 plan	30,000	Yes
April 2018 plan	25,000	Yes (3 conditions)

The main features of the bonus share award that Benoît de Ruffray received in 2018 are as follows: initial award on 25 April 2018, vesting subject to performance criteria on 26 April 2021 and the end of the lock-in period on 26 April 2023.

Vesting of the bonus shares is conditional. Beneficiaries will only become owners of the shares at the end of the vesting period if they remain part of the Group and meet the required performance conditions (subject to exceptions).

Presence condition
Barring exceptions (death, disability, retirement, movements within the Group or contrary decision by the Board of Directors), the beneficiary loses their entitlement to bonus share awards in the event that their role as corporate officer within the Company or a related company (within the meaning of Article L.225-197-2 of the French Commercial Code) ends during the vesting period.

Performance conditions
To take account of the Company's performance, the number of shares vested (hereinafter the "Number of Shares Vested") on 26 April 2021 will be calculated by applying the criteria set out below:

Criterion	Weighting	Composition
C1 Based on the absolute change in net earnings per share	50%	If Eiffage's earnings per share increases by at least 25% between the plan's initial and final award dates, the criterion is satisfied. If earnings per share increases by between 10% and 25%, the criterion is partially satisfied and a sliding scale will be applied to determine the number of shares finally awarded. Below 10%, the criterion is not satisfied and the corresponding part of the award will be cancelled.
C2 Based on the Eiffage share price performance compared with the CAC 40	25%	If the 100-day average Eiffage market share price outperforms the 100-day average CAC 40 as a whole by at least 10% between the plan's initial and final award dates, the performance criterion is satisfied. If the Eiffage share price performance falls within 10% above or below the performance of the CAC 40, the criterion is partially satisfied and a sliding scale will be applied to determine the number of shares finally awarded. If it underperforms by more than 10%, the criterion is not satisfied and the corresponding part of the award will be cancelled.
C3 Based on the absolute Eiffage share price	25%	If the 100-day average Eiffage market share price at the final award date is higher than it was at the start of the plan, the performance criterion is satisfied. If it is between 100% and 50% of the initial price, the criterion is partially satisfied and a proportionate reduction will be applied. Below 50%, the criterion is not satisfied and the corresponding part of the award will be cancelled.
Vesting period		Three years after the initial award date.
Minimum lock-in period		Two years after the end of the vesting period.
Minimum number of securities to be held until the end of the term of office for the corporate officer only		The minimum number of securities that the corporate officer must hold until his term of office ends corresponds to 50% of each award, until he holds the equivalent of three times his fixed annual salary.
Use of hedging techniques		Prohibited until the term of office or employment contract ends.

› Detailed final award formula

- Final award (FA)
- Initial award (IA)

FA = (IA × 50% × C1) + (IA × 25% × C2) + (IA × 25% × C3)

› Details of C1 formula, for 50%:

- Initial earnings per share (EPS-I): EPS in the last full financial year at the time of the initial award;
- Final earnings per share (EPS-F): earnings per share in the last full financial year at the time of the final award;

– In both cases, earnings per share is determined without any adjustment for non-current deferred tax. For example, the reference net earnings per share for the 2017 financial year is €5.38 per share;

- R = EPS-F / EPS-I:

Value of R	Final award
R > 1.25	100%
1.20 < R > 1.25	90%
1.10 < R > 1.20	50%
R < 1.10	0%

› Details of C3 formula, for 25%:

SP-F compared to SP-I	Final award
SP-F > SP-I	100%
If (50% SP-I) < SP-F < SP-I	SP-F / SP-I
If SP-F < (SP-I × 50%)	0%

› Details of C2 formula, for 25%:

- Initial Eiffage share price (SP-I): average price over the 100 days preceding the initial award date, i.e. €93.11
- Final Eiffage share price (SP-F): average price over the 100 days preceding the final award date
- SP = SP-F / SP-I
- Initial CAC 40: CAC 40 index level corresponding to the average over the 100 days preceding the initial award date, i.e. €5,329.36
- Final CAC 40: CAC 40 index level corresponding to the average over the 100 days preceding the final award date;
- CAC = Final CAC 40 / Initial CAC 40

Value of SP – CAC	Final award
SP - CAC ≥ 0.1	100%
0.1 > SP - CAC ≥ 0.08	90%
0.08 > SP - CAC ≥ 0.06	80%
0.06 > SP - CAC ≥ 0.04	70%
0.04 > SP - CAC ≥ 0.02	60%
0.02 > SP - CAC ≥ -0.02	50%
-0.02 > SP - CAC ≥ -0.04	40%
-0.04 > SP - CAC ≥ -0.06	30%
-0.06 > SP - CAC ≥ -0.08	20%
-0.08 > SP - CAC ≥ -0.1	10%
-0.1 > SP - CAC	0%

As in 2016 and 2017, Benoît de Ruffray was not awarded any stock options in 2018.

K. Directors' compensation and board fees

At the Eiffage general meeting of 17 April 2013, the shareholders raised the total amount of board fees to €900,000.

A board fee unit equals €30,000. This amount has remained unchanged for over eight years. Board fees are awarded to directors, non-voting observers and committee members as follows, subject to actual attendance, which is the only criterion applied to determine the amount of fees payable. The attendance criterion applies to the full amount of fees; there are no minimum board fees. None of the Group's subsidiaries distribute board fees.

	Fee as Board member	Fee as committee chair	Fee as committee member
Director	1	1	1/2
Non-voting observer	2/3	–	1/3
Vice-Chairman, Senior Director	9.67		

L. Tables summarising compensation received by executive corporate officers in 2017 and 2018

Table 1: Summary of compensation, stock options and shares received by each executive corporate officer (in euros)

Benoît de Ruffray **Chairman and Chief Executive Officer**	**From 01/01/17 to 31/12/17**	**From 01/01/18 to 31/12/18**
Compensation payable for the financial year (detail in table 2)	1,802,790	1,802,825
Value of multi-year variable compensation awarded during the financial year	None	None
Value of stock options awarded during the financial year (detail in table 4)	None	None
Value of bonus shares awarded during the financial year (detail in table 6)	1,848,600	2,029,375
Total	**3,651,390**	**3,832,200**

Table 2: Summary of compensation received by each executive corporate officer (in euros)

Benoît de Ruffray **Chairman and Chief Executive Officer**	**For 2017**		**For 2018**	
	Due	**Paid**	**Due**	**Paid**
Annual fixed compensation	900,000	900,000	900,000	900,000
Variable compensation***	900,000	651,912**	900,000*	900,000
Multi-year variable compensation	–	–	–	–
Exceptional compensation	–	–	–	–
Board fees	–	–	–	–
Benefits in kind (company car)	2,790	2,790	2,825	2,825
Total	**1,802,790**	**1,554,702**	**1,802,825**	**1,802,825**

* The variable part of this compensation will only be paid to Benoît de Ruffray after a resolution is adopted by the general meeting held on 24 April 2019 concerning the various components of compensation paid or due to him for 2018 in respect of his role.
** 2016 was an incomplete and transitional year due to Benoît de Ruffray taking office on 18 January 2016.
*** Performance criteria and their achievement rates are set out in section K of the corporate governance report in this document.

Table 3: Board fees (in euros)

Director	**Gross fees awarded for 2017 (paid in 2018)**	**Gross fees awarded for 2018 (paid in 2019)**
Benoît de Ruffray	–	-
Jean-François Roverato	274,737	290,000
Thérèse Cornil	60,000	60,000
Laurent Dupont	60,000	60,000
Bruno Flichy(1)	65,750	75,000
Jean-Yves Gilet(2)	18,000	-
Jean Guénard	60,000	60,000
Marie Lemarié	45,000	45,000
Dominique Marcel	45,000	45,000
Isabelle Salaün	60,000	60,000
Carol Xueref	60,000	54,000
Odile Georges-Picot(3)	–	34,000
Total	**748,487**	**783,000**

No non-executive Board members received any compensation other than board fees in 2017 and 2018, except for the director representing employee shareholders.
(1) Bruno Flichy was a non-voting observer of the Board (*censeur*) until 19 April 2017, and has been a full member of the Board since that date.
(2) Jean-Yves Gilet was a member of the Board until 19 April 2017.
(3) Odile Georges-Picot has been a member of the Board since 25 April 2018.

Table 4: Stock subscription or purchase options awarded to each executive corporate officer by the Company and by any Group company during the financial year

Name of corporate officer	**Plan no. and date**	**Type of options (purchase or subscription)**	**Value of stock options using the same method as for the consolidated financial statements**	**No. of bonus shares awarded during the financial year**	**Exercise price**	**Effective award date**
Benoît de Ruffray	None	None	None	None	None	None

Table 5: Stock subscription or purchase options exercised during the financial year by each executive corporate officer

Name of corporate officer	**Plan no. and date**	**No. of options exercised during the financial year**	**Exercise price**
Benoît de Ruffray	None	None	None

Table 6: Bonus shares awarded to each executive corporate officer by the Company and by any Group company during the financial year

Name of corporate officer	**Plan no. and date**	**Type**	**Value of bonus shares using the same method as for the consolidated financial statements**	**No. of bonus shares awarded during the financial year**	**Exercise price**	**Effective award date(1)** -------- **End of lock-in period(2)**	**Performance conditions**
Benoît de Ruffray	2018 plan Date: 25/04/2018	Bonus shares	€2,029,375	25,000	€93.11	26/04/2021 -------- 26/04/2023	Yes. Details in the "Shares and stock options" section

(1) Three years after the initial award date, provided Benoît de Ruffray still works for the Company and the performance condition described in the "Shares and stock options" section of this document has been satisfied at that date.
(2) At least one year after the final award date. Accordingly, an initial award in 2018 may give rise to a final award in 2021, but the shares may only be disposed of in 2023, at the earliest. This means the plan has a minimum length of five years.

Table 7: Vested bonus shares of each executive corporate officer

Vested bonus shares of each corporate officer	Plan no. and date	No. of shares vested during the financial year	Vesting conditions
Benoît de Ruffray	None	None	None
TOTAL	**None**	**None**	**None**

Table 8: Past awards of stock purchase or subscription options[1] Information about stock purchase or subscription options[1]

	2011 Plan	2012 Plan	2014 Plan	2015 Plan
Date of general meeting	21/04/2010	20/04/2011	17/04/2013	16/04/2014
Date of Board of Directors' meeting	24/02/2011	13/12/2012	26/02/2014	25/02/2015
Total number of shares[2] that may be subscribed or purchased, including the number that may be subscribed or purchased by:	631,200	958,150	947,000	934,750
Corporate officers				
Pierre Berger*	100,000	100,000	100,000	100,000
Date from which options may be exercised	12/03/2015	14/12/2016	27/02/2018	26/02/2019
Expiry date	09/03/2018	13/12/2019	26/02/2021	25/02/2022
Subscription or purchase price	€41.24	€29	€45.43	€46.405
Terms of exercise (where the plan has several tranches)	See the 2010 Registration Document	See the 2011 Registration Document	See the 2013 Registration Document	See the 2014 Registration Document
Number of shares subscribed at 31/12/2018	574,400	738,222	536,304	100,500
Cumulative number of cancelled or forfeited stock purchase or subscription options	56,800	122,800	123,700	142,550
Outstanding stock purchase or subscription options at year-end	0	97,128	286,996	691,700

*Chairman and Chief Executive Officer until 22 October 2015

N.B. All figures have been adjusted to take into account bonus share issues and the division of the nominal value of shares since the creation of the plans.

(1) Adjusted to reflect rectifications and options cancelled or forfeited at 01/01/2018.

(2) At its meeting of 25 February 2015, the Board of Directors extended the exercise period for the February 2011 plan to 9 March 2018.

(3) Pierre Berger, Chairman and Chief Executive Officer until 22 October 2015, for all four plans. Following Pierre Berger's death, and pursuant to the laws and regulations applying to the 2011, 2012, 2014 and 2015 plans, his beneficiaries were entitled to exercise his stock options within six months of his death. Furthermore, on 26 October 2015 the Board of Directors decided, on the basis of a proposal by the Compensation Committee, to waive the performance condition for Pierre Berger's stock option plans.

Table 9: Table summarising options to subscribe or purchase shares awarded to the ten employees who are not corporate officers along with details of options exercised by them

	Total no. of options awarded/ shares subscribed or purchased	Weighted average price	2011-02_POA of 11/03/2011	2012-12_POA of 14/12/2012	2014-02_POA of 26/02/2014
Options awarded during the financial year by the Company or any company concerned by the option plan to the ten employees of the Company or any such company, who received the greatest number of options	0	0	0	0	0
Options issued by the Company and the above-mentioned companies exercised during the financial year by the ten employees of the Company or any such company, who purchased or subscribed the greatest number of options	174,968	€36.22	33,500	89,500	51,968

Table 10: History of bonus share plans

	04/07/2016 bonus share plan	30/08/2017 bonus share plan	25/04/2018 bonus share plan
Date of general meeting	**20/04/2016**	**20/04/2016**	**20/04/2016**
Date of Board of Directors' meeting	04/07/2016	30/08/2017	25/04/2018
Total number of shares awarded, including the number awarded to:	234,030	285,505	291,150
Corporate officers			
Benoît de Ruffray	15,000*	30,000*	25,000*
Vesting date	05/07/2019	01/09/2020	26/04/2021
End of lock-in period	08/07/2020	01/09/2021	26/04/2023
Performance conditions	Yes*	Yes*	Yes*
Number of shares purchased at 31/12/2018	0	0	0
Cumulative number of shares cancelled or forfeited	24,465	11,840	9,530
Outstanding performance shares awarded at the end of the financial year	209,565	273,665	281,620

* These shares are awarded subject to the conditions described in detail in this document for the 2018 award and in previous registration documents for earlier years.

Table 11: Employment contracts, specific pension plans, severance pay and non-compete agreements

Executive corporate officer	Employment contract		Complementary pension plan		Severance pay or other payments or possible payments upon departure or change of function		Compensation under a non-compete agreement	
	Yes	No	Yes	No	Yes	No	Yes	No
Benoît de Ruffray Chairman and Chief Executive Officer First appointed on: 18/01/2016 Term of office expires in 2019		X		X		X		X

Table 12: Transactions involving securities issued by the Company carried out by each corporate officer or other individual required by the AMF's General Regulation to notify such transactions

Notifier	Role	Financial instrument	Type of transaction	Unit price in euros	Amount of transaction in euros
Benoît de Ruffray	Chairman and Chief Executive Officer	FCPE Eiffage Actionnariat	Subscription	50.0000	450,000.00
Jean-Francois Roverato*	Vice-Chairman, Senior Director	Shares	Sale	88.8790	1,777,580.00
		Shares	Transfer of securities to a company	72.0800	1,333,480.00
		Shares	Sale of securities by a company	73.0000	1,208,150.00
Max Roche	Deputy Chief Executive Officer	Shares	Sale	100.3000	200,600.00
		FCPE Eiffage Actionnariat	Subscription	50.0000	117,711.50
Christian Cassayre***	Chief Financial Officer	Stock options**	Exercise**	29.0000	145,000.00
		FCPE Eiffage Actionnariat**	Sale**	193.6700	134,774.29
		Sicavas Eiffage	Sale**	143.4600	19,649.35
		FCPE Eiffage Actionnariat**	Subscription	50.0000	140,000.00
Jean Guénard	Director	Sicavas Eiffage	Sale	145.2100	57,856.02
Laurent Dupont	Director	FCPE Eiffage Actionnariat	Acquisition	50.0000	7,450.00

* On 4 January 2019, Jean-François Roverato disclosed the sale, by a company whose legal and beneficial ownership is split between himself and persons closely linked to him, of all ownership interests (legal and beneficial ownership) in 16,550 Eiffage shares at a price of €73.00 per share.

** These transactions are exercises of options financed by the sale of FCPE Eiffage shares for the same amount, net of any social security contributions.

*** On 9 January 2019, Christian Cassayre acquired 1,000 shares at a price of €45.43 per share through the exercise of stock options.

M. Other governance-related information

I. Loans and guarantees granted to managers

None.

II. Incentive and profit-sharing plans

Most Group companies have discretionary incentive plans (*accords d'intéressement*). These plans, which are governed by the French government decree of 21 October 1986 on incentive and employee profit-sharing plans, underline Eiffage's desire for employees to be closely involved in the success of the company for which they work by giving them a stake in the profit generated by that company in a given year where that profit reaches a predetermined level and represents an increase in their prosperity.

In addition to the above, employees benefit from mandatory employee profit-sharing plans (*accords de participation*) under conditions set out in law. These are applied on an individual company basis. A collective agreement has not been negotiated at Group level.

Employee savings schemes (*Plans d'épargne entreprise*) have existed in each company for many years. Amounts due in respect of the incentive and profit-sharing plans may be invested, at the employee's discretion, in savings schemes or Group employee share ownership plans, namely the open-end employee investment fund Sicavas Eiffage 2000 or the Company investment fund FCPE Eiffage Actionnariat, to enable employees to subscribe shares as part of capital increases reserved for them.

Amounts paid by the Group to its employees under the incentive and profit-sharing plans amounted to €77 million in respect of the 2018 financial year, which is unchanged from the amounts paid during 2017.

III. Stock options – Bonus share awards

- At the ordinary and extraordinary general meeting of 17 April 2013, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000. The Board of Directors exercised a portion of this authorisation on 26 February 2014, granting 538,750 options, and again on 25 February 2015, granting 461,250 options. The authorisation granted by the general meeting of 17 April 2013 has now expired.
- At the ordinary and extraordinary general meeting of 16 April 2014, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000. The Board of Directors exercised a portion of this authorisation on 25 February 2015, granting 473,500 options. The authorisation granted by the general meeting of 16 April 2014 has now expired.
- At the ordinary and extraordinary general meeting of 20 April 2016, the shareholders authorised the Board of Directors to make bonus share awards to the Group's employees and corporate officers. The maximum number of shares that could be awarded was set at 1,000,000 (including 250,000 for the Company's executive corporate officers). This authorisation was granted for 38 months; at the date of this document the Board had exercised a portion of this authorisation, awarding 810,685 shares.
- At the ordinary and extraordinary general meeting of 19 April 2017, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000 (including 250,000 for the Company's executive corporate officers). This authorisation was granted for 38 months; at the date of this document the Board had not made use of it.
- At the ordinary and extraordinary general meeting of 25 April 2018, the shareholders authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000 (including 100,000 for the Company's executive corporate officers). This authorisation, which took effect on the expiry of the authorisation granted by the general meeting of 20 April 2016 and expires on 24 June 2021, had not been used at the date of this document.

IV. Information that may be relevant in the event of a public offering

- The ownership structure and all direct or indirect shareholders known to the Company, together with all relevant information, are set out in the section relating to general information;
- The Articles of Association do not place any restrictions on the exercise of voting rights or the transfer of shares, other than that voting rights may be stripped if the shareholder fails to declare crossing an ownership threshold. Furthermore, the Company is not aware of any agreements disclosed in compliance with Article L. 233-11 of the French Commercial Code;
- The Company is not aware of any agreements or other arrangements between shareholders that could restrict transfers of shares or the exercise of voting rights;
- No securities give their holders any special controlling rights;
- The voting rights attached to shares held by employees through the Sicavas Eiffage 2000 and FCPE Eiffage Actionnariat investment funds are exercised, each individually, at general meetings by the authorised representatives appointed by the board of directors of the Sicavas fund and the supervisory board of the FCPE fund. The governance rules and arrangements for exercising the voting rights of Sicavas Eiffage 2000 and FCPE Eiffage Actionnariat in Eiffage general meetings are described below:

Name	Sicavas Eiffage 2000	FCPE Eiffage Actionnariat
Regulatory framework	https://www.amf-france.org/Acteurs-et-produits/Produits-et-SICAV/FIA/Epargne-salariale	
Year of creation	2002	2013
% of Eiffage's capital held at 31/12/18	5.6%	12.1%
Independent asset management body	PRO BTP Finance	Société Générale Management
Rules regarding composition of the Board	Board of Directors consisting of eight members who are employee shareholders of the Group appointed by the Sicavas general meeting (Article 14 of the Sicavas Articles of Association).	Supervisory board consisting of eight members: • four employee unitholders, elected by unitholders (one for each division of the Eiffage group), and • four members appointed by the Company's management. The Chairman must be an employee unitholder (Article 8 of the FCPE's rules).

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Name	Sicavas Eiffage 2000	FCPE Eiffage Actionnariat
Summary of the Board's role	The Board is primarily responsible for examining the fund's management report and annual financial statements, reviewing its financial, administrative and accounting management, exercising voting rights attached to shares held in the portfolio as the case may be, deciding whether to contribute securities to a public offering, making decisions on any merger, demerger or liquidation, and granting prior authorisation for any amendments to the Sicavas' Articles of Association in those cases provided in that document.	The FCPE's supervisory board meets at least once a year, in order to examine the management report and annual financial statements, review its financial, administrative and accounting management, approve its annual report, exercise voting rights attached to securities in the fund's portfolio of assets and decide whether to contribute securities.
Rules regarding the Board's deliberations	The Board takes decisions on the basis of a majority of members present or represented (Article 17 of the Sicavas Articles of Association).	The supervisory board takes decisions on the basis of a majority of members present or represented, with the chairman, who must be an employee member representing unitholders, having the casting vote (Article 8 of the FCPE Articles of Association).
Arrangements for exercising voting rights	Sicavas' voting rights in Eiffage general meetings are exercised by its Board of Directors, which appoints a proxy to represent Sicavas in the Eiffage general meeting for that purpose (Article 18 of the Sicavas Articles of Association).	The FCPE's voting rights in Eiffage general meetings are exercised by its supervisory board, which appoints a proxy to represent the FCPE in the Eiffage general meeting (Article 8 of the FCPE Articles of Association).

- The rules governing the appointment and dismissal of the members of the Board of Directors are the rules set out in law and Articles 17 to 20 of the Articles of Association.
- Powers currently delegated to the Board of Directors are described in the management report and in the table summarising authorisations to increase the capital.
- The Company's Articles of Association are amended in accordance with the applicable laws and regulations.
- The credit facilities described in this document (in the "Liquidity risks" section) may be cancelled in the event of a change in the control of the Company.
- No specific agreements provide for the payment of compensation to corporate officers when they leave office.

As required by law, all fully paid-up shares which are proven to have been held in registered form in the name of the same shareholder for at least two years will enjoy double voting rights.

V. Shareholder attendance at general meetings

The conditions governing shareholder attendance at general meetings are detailed in Article 30 of the Articles of Association.

3 – Resolutions that will be put to the general meeting

Presented below is the section of the Board of Directors' report concerning the resolutions that will be put to the vote at the ordinary and extraordinary general meeting of 24 April 2019.

The summary of the 23 resolutions – 14 ordinary resolutions in six sections and nine extraordinary resolutions in three sections – is set out below. The text of the resolutions is similar to that of the 2018 general meeting, with the same types of upper limits and restrictions.

The Board has also decided this year, in contrast to previous years, not to ask the meeting for new authorisations relating to stock option or bonus share awards.

Summary of resolutions:

Ordinary	Extraordinary
1-3. Approval of the financial statements, appropriation of profit and determination of the dividend	14. Renewal of the authorisation to cancel shares
4-7. Terms of office of the Statutory Auditors	15 and 16. Renewal of delegations of authority to increase the capital without the cancellation of preferential subscription rights
8-10. Renewal of the terms of office of three directors including Benoît de Ruffray	17-22. Renewal of delegations of authority to increase the capital with the cancellation of preferential subscription rights, upper limits, restrictions and extension clause
11 and 12. Approval of the historical and prospective compensation components of the Chairman and Chief Executive Officer (ex post and ex ante Say on Pay)	
13. Renewal of the authorisation to buy back shares	
23. Powers to carry out formalities	

Ordinary business:

Resolutions 1 and 2: The general meeting is invited to approve the company financial statements for the year ended 31 December 2018, showing a net profit of €494 million, as well as the consolidated financial statements for the financial year ended 31 December 2018, showing a net profit attributable to the equity holders of the parent of €629 million, which the Board approved at its meeting of 27 February 2019 after their review by the Audit Committee.

Resolution 3: Appropriation of the net profit would result in the distribution of a gross dividend of €2.40 per share, which represents a 20% increase on the year. The dividend would be paid on 23 May 2019 and the ex-dividend would be 21 May 2019. This dividend would be distributed in respect of all 98,000,000 shares outstanding at 27 February 2019, and the shares that will be created in connection with the capital increase reserved for employees decided by the Board of Directors on 27 February 2019.

Details of dividends paid in respect of the three previous financial years are provided in the table below:

With respect to	Income eligible for the allowance		Income not eligible for the allowance
	Dividends	Other distributed income	–
2015	€147,123,397.50 i.e. €1.50 per share	–	–
2016	€147,005,649.00 i.e. €1.50 per share	–	–
2017	€196,007,532.00 i.e. €2 per share	–	–

Resolutions 4-7: These resolutions relate to the appointment of a new Statutory Auditor following an open tender process carried out under the supervision of the Audit Committee, the renewal of an existing Statutory Auditor and the non-renewal of the alternates to the two current primary Statutory Auditors (in accordance with Article L.823-1 of the French Commercial Code). The Audit Committee states that its decision was not influenced by any third party and that no contractual clause restricted its choice.

Resolutions 8-10: These resolutions relate to the renewal of the terms of office of Benoît de Ruffray, Chairman of the Board and Chief Executive Officer, Isabelle Salaün, independent director and Chair of the Audit Committee, and Laurent Dupont, director representing employee shareholders.

Applications for seats on the Board put to the general meeting have been approved by the Board of Directors following proposals by the Appointments and Compensation Committee or by the Sicavas' Board of Directors or FCPE Eiffage's supervisory board, in the case of directors representing employee shareholders. None of the other terms of office of current members of the Board of Directors expire at this general meeting.

If these renewal proposals are accepted by the general meeting, the proportions of independent directors, men and women on the Board of Directors will remain unchanged.

Resolutions 11 and 12: As required by Articles L.225-37-2 and L.225-100 II of the French Commercial Code, the general meeting is invited to approve two resolutions.

The first (11th resolution) concerns the ex-post approval of the compensation and benefits due or paid to the Chairman and Chief Executive Officer with respect to 2018 in respect of his role, in line with the principles approved by the 2017 and 2018 general meetings. The variable compensation of the Chairman and Chief Executive Officer will only be paid if approved in this vote.

The second (12th resolution) concerns ex-ante approval of the principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components composing the total compensation package and benefits in kind payable to the Chairman and Chief Executive Officer in respect of his role, relating to the 2019-2021 financial years. Details of the compensation are presented in the Directors' report on corporate governance.

As regards financial matters, the general meeting is invited to adopt resolutions delegating powers and authorisations enabling the Board of Directors, should it consider this useful, to buy back shares, cancel shares held in treasury (up to a limit of 10% of the capital in both cases) and make such issues as required to ensure the Company's development (see the chart listing the delegations of authority and authorisations put to the vote).

Except for the delegation of authority to carry out a capital increase reserved for members of an employee savings plan:

- all financial delegations of authority and authorisations put to the general meeting will be suspended in the event of a public offering;
- use of the three proposed financial delegations of authority and

authorisations (17th, 18th and 20th resolutions), which provide for the cancellation of preferential subscription rights, will count towards the nominal overall upper limit of €39,200,000 representing 10% of the capital, referred to in the 21st resolution.

Note also that the delegations of authority relating to the possibility of increasing the share capital by the issue of shares and/or transferable securities carrying rights to shares, while maintaining preferential subscription rights, provides for a nominal upper limit of €156,800,000 representing 40% of the capital (16th resolution).

Accordingly, the general meeting is invited to:

Resolution 13: Renew, for a period of 18 months, the authorisation given to the Board of Directors to buy back company shares up to a limit of 10% of the share capital and for a maximum price of €150 per share, i.e. a maximum amount of €1,470,000,000 in total, for the purposes of maintaining the liquidity of Eiffage shares, financing acquisitions, covering employee share ownership requirements, covering securities carrying rights to shares, and cancelling the acquired shares within the limits and conditions set by applicable regulations. No transaction may take place during a public offering initiated by a third party involving the Company's shares.

Extraordinary business:

Resolution 14: Authorise the Board of Directors, for a period of 26 months, to cancel, as and when it sees fit, on one or more occasions, up to a limit of 10% of the capital (determined on the date of cancellation, taking into account any shares cancelled during the previous 24 months), Company shares that are held or come to be held in treasury following purchases made in connection with the share buyback programme, and to reduce the share capital accordingly, in accordance with applicable laws and regulations. No transaction may take place during a public offering initiated by a third party involving the Company's shares.

Resolution 15: Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by capitalising reserves, profits and/or premiums and to issue and award bonus shares to the shareholders and/or increase the nominal value of the shares, up to a limit of €80 million (independent upper limit representing 20.4% of the capital). No transaction may take place during a public offering initiated by a third party involving the Company's shares.

Resolution 16: Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares carrying, when applicable, rights to ordinary shares or debt securities and/or securities carrying rights to ordinary shares to be issued, while maintaining preferential subscription rights, subject to a limit on the nominal amount of the capital increase of €156.8 million (representing 40% of the capital). The total nominal amount of all debt securities that may be issued under this delegation of authority may not exceed €2 billion. The Board of Directors may not make use of this delegation of authority from the moment a third party submits a public offering for the Company's shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

Resolution 17: Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares carrying, when applicable, rights to ordinary shares or debt securities and/or other transferable securities carrying rights to ordinary shares to be issued via a public offering and/or in consideration for securities as part of a public exchange offer, without preferential subscription rights, with the Board of Directors being given the possibility to offer shareholders the possibility to subscribe preferentially.

The total nominal amount of all capital increases, now or in the future, shall not exceed €39,200,000 (representing 10% of the capital). This amount will be included when calculating the maximum overall upper limit of €39,200,000 stipulated in the 21st resolution.

The total nominal amount of all debt securities that may be issued under this delegation of authority may not exceed €2 billion. This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued as stipulated in the 21st resolution.

It is stipulated that, in the event that shares are issued without preferential subscription rights under this delegation of authority, the amount paid or due to the Company in respect of each ordinary share shall be determined in accordance with applicable laws and regulations and will therefore be at least equal to the minimum amount required by Article R.225-119 of the French Commercial Code (weighted average share price during the three preceding trading sessions, possibly reduced by the application of a 5% discount) at the time the Board of Directors exercises the delegation of authority.

In the event securities are issued in consideration for securities tendered to a public exchange offer, the Board of Directors shall be authorised, within the limits set above, to draw up the list of securities tendered to the offer, set their issuance conditions, the exchange ratio and, when applicable, the amount of the balancing cash payment to be paid, and determine the related terms of issuance. The Board of Directors may not make use of this delegation of authority from the moment a third party submits a public offering for the Company's shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

Resolution 18: Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares carrying, when applicable, rights to ordinary shares or debt securities and/or other transferable securities carrying rights to ordinary shares to be issued without preferential subscription rights, when making a share offering governed by Section II of Article L.411-2 of the French Monetary and Financial Code dealing with private placements.

The total nominal amount of all capital increases, now or in the future, shall not exceed €39,200,000 (representing 10% of the capital). This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued as stipulated in the 21st resolution.

The total nominal amount of all debt securities that may be issued under this delegation of authority may not exceed €2 billion. This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued as stipulated in the 21st resolution.

It is stipulated that, in the event that shares are issued without preferential subscription rights under this delegation of authority, the amount paid or to be paid to the Company in respect of each ordinary share shall be determined in accordance with applicable laws and regulations and will therefore be at least equal to the minimum amount required by Article R.225-119 of the French Commercial Code (weighted average share price during the three preceding trading sessions, possibly reduced by the application of a 5% discount) at the time the Board of Directors exercises the delegation of authority.

The Board of Directors may not make use of this delegation of authority from the moment a third party submits a public offering for the Company's shares, unless it has been authorised to do so by the general meeting.

Resolution 19: Authorise the Board of Directors, in connection with the above-mentioned delegations of authority for public offerings and private placements, to increase the number of securities to be issued up to a limit of 15% of the number of securities in the initial issue, under the terms and conditions set out in applicable laws and regulations at the time of the issue and subject to the upper limits mentioned in the 16th, 17th and 18th resolutions and the overall upper limit mentioned in the 21st resolution for the issues decided pursuant to the 17th and 18th resolutions. The Board of Directors may not make use of this delegation of authority from the moment a third party submits a public offering for the Company's shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

Resolution 20: Delegate authority to the Board of Directors, for a period of 26 months, to increase the share capital by issuing ordinary shares or other transferable securities carrying rights to the capital up to a limit of 10% of the capital at the time of issue, in consideration for securities tendered to the Company and consisting of equity instruments or transferable securities carrying rights to shares. This amount will be included when calculating the maximum nominal amount of ordinary shares that may be issued as stipulated in the 21st resolution. The Board of Directors may not make use of this delegation of authority from the moment a third party submits a public offering for the Company's shares until the end of the public offering, unless it has been authorised to do so by the general meeting.

Resolution 21: Set at €39,200,000 (representing 10% of the capital) the total nominal amount of the shares that may be issued, now or in the future, pursuant to the delegations of authority without preferential subscription rights via public offerings or private placements and in consideration for securities tendered to the Company (17th, 18th and 20th resolutions), and at €2 billion the total nominal amount of the debt securities that may be issued pursuant to those resolutions.

In accordance with its policy on employee share ownership, which has been one of the hallmarks of the Eiffage Group for more than 28 years, as a result of which employees collectively constitute the Group's main shareholder with more than 15% of the capital at 31 December 2018, and with a view to consolidating this situation, the shareholders are asked to approve one delegation of authority. The purpose of the 22nd resolution is to authorise a capital increase reserved for members of a Group employee savings plan through an FCPE fund, up to a maximum of 3.8% of the capital.

Resolution 22: In accordance with applicable laws, delegate authority to the Board of Directors, for a period of 26 months, to increase the capital, on one or more occasions, by issuing ordinary shares or transferable securities carrying rights to shares to employees of the Company or affiliated companies who are members of a company or Group savings plan, under the conditions set out in Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Employment Code, up to a nominal limit of €15 million (representing 3.8% of the capital), this upper limit being independent of any other that may be set by the general meeting. Such a capital increase is dependent on the cancellation of shareholders' preferential subscription rights in favour of the employees concerned. The general meeting is informed that the price at which any shares are issued shall be determined in accordance with the conditions and limits set by applicable laws and regulations.

As regards other miscellaneous resolutions:

Resolution 23: Finally, the general meeting (under ordinary business) is invited to delegate all powers necessary to carry out formalities.

Summary of financial delegations of authority that may result in a capital increase and currently valid authorisations to issue stock options and bonus shares

Nature of the delegation of authority or authorisation	Date of the extraordinary general meeting	Expiry date	Nominal amount of capital increase authorised	Use in 2018	Remaining nominal amount by which the capital may be increased at 31/12/2018
Delegation of authority to increase the share capital by capitalising reserves, profits and/or premiums	25 April 2018 (10th resolution)	24 June 2020	€80 million (20.4% of the capital**)	None	€80 million (20.4% of the capital**)
Delegation of authority to issue ordinary shares and transferable securities, with preferential subscription rights maintained	25 April 2018 (11th resolution)	24 June 2020	€150 million (38.3% of the capital**) (€1.5 billion for debt securities*)	None	€150 million (38.3% of the capital**) (€1.5 billion for debt securities carrying rights to shares)
Delegation of authority to issue ordinary shares and transferable securities, without preferential subscription rights, by way of a public offering	25 April 2018 (12th resolution)	24 June 2020	€39,201,504 (10% of the capital**) (€1.5 billion for debt securities*)	None	€39,201,504 (10% of the capital**) (€1.5 billion for debt securities carrying rights to shares*)
Delegation of authority to issue ordinary shares and transferable securities, without preferential subscription rights, by way of a private placement	25 April 2018 (13th resolution)	24 June 2020	€39,201,504 (10% of the capital**) (€1.5 billion for debt securities*)	None	€39,201,504 (10% of the capital**) (€1.5 billion for debt securities carrying rights to shares*)
Authorisation to increase the amount of issues	25 April 2018 (14th resolution)	24 June 2020	15% of the amount of the initial issue, subject to the upper limits of the delegation of authority and, as the case may be, subject to the overall upper limit determined in the 16th resolution	None	15% of the amount of the initial issue, subject to the upper limits of the delegation of authority and, as the case may be, subject to the overall upper limit determined in the 16th resolution
Delegation of authority to increase the capital in consideration for shares or transferable securities	25 April 2018 (15th resolution)	24 June 2020	10% of the share capital*	None	10% of the share capital*
Overall limit arising from upper limits in the 12th, 13th and 15th resolutions	25 April 2018 (16th resolution)	24 June 2020	€39,201,504 (10% of the capital**) (€1.5 billion for debt securities*)	None	€39,201,504 (10% of the capital**) (€1.5 billion for debt securities)
Delegation of authority to increase the share capital without preferential subscription rights in favour of members of a company savings plan	25 April 2018 (17th resolution)	24 June 2020	€15 million (3.8% of the capital**)	None	€15 million (3.8% of the capital**)
Authorisation to issue stock purchase options	19 April 2017 (23rd resolution)	18 June 2020	1,000,000 (1% of the capital**) (maximum number of shares that could be acquired through the exercise of the total number of options) / 250,000 (maximum number of shares that could be acquired by the Company's corporate officers through the exercise of the total number of options)	None	1,000,000 (1% of the capital**) (maximum number of shares that could be acquired through the exercise of the total number of options) / 250,000 (maximum number of shares that could be acquired by the Company's corporate officers through the exercise of the total number of options)
Authorisation to grant existing shares as bonus shares	20 April 2016 (22nd resolution)	19 June 2019	1,000,000 (1% of the capital**) (maximum number of bonus shares that may be awarded) / 250,000 (maximum number of bonus shares that may be awarded to the Company's corporate officers)	€291,150 (0.3% of the capital**)	189,315 (0.2% of the capital**) (maximum number of bonus shares that may be awarded) / 180,000 (maximum number of bonus shares that may be awarded to the Company's corporate officers)
Authorisation to grant existing shares as bonus shares* **	25 April 2018 (18th resolution)	24 June 2021	1,000,000 (1% of the capital**) (maximum number of bonus shares that may be awarded) / 100,000 (maximum number of bonus shares that may be awarded to the Company's corporate officers)	None	1,000,000 (1% of the capital**) (maximum number of bonus shares that may be awarded) / 100,000 (maximum number of bonus shares that may be awarded to the Company's corporate officers)

* Counts against the overall upper limit determined in the 16th resolution of the 25 April 2018 general meeting.
** On the basis of the capital at 27 February 2019.

*** The authorisation granted by the ordinary and extraordinary general meeting of 25 April 2018 will take effect on the expiry of the authorisation granted by the ordinary and extraordinary general meeting of 20 April 2016.

Summary of currently valid financial delegations of authority that may result in a capital increase submitted to the general meeting of 24 April 2019

Nature of the delegation of authority or authorisation submitted to the general meeting of 24 April 2019	Date of the extraordinary general meeting	Expiry date	Nominal amount of capital increase authorised
Delegation of authority to increase the share capital by capitalising reserves, profits and/or premiums	24 April 2019	23 June 2021	€80 million (20.4% of the capital**)
Delegation of authority to issue ordinary shares and transferable securities, with preferential subscription rights maintained	24 April 2019	23 June 2021	€156.8 million (40% of the capital**) (€2 billion for debt securities*)
Delegation of authority to issue ordinary shares and transferable securities, without preferential subscription rights, by way of a public offering and/or in consideration for securities as part of a public exchange offer	24 April 2019	23 June 2021	€39.2 million (10% of the capital**) (€2 billion for debt securities*)
Delegation of authority to issue ordinary shares and transferable securities, without preferential subscription rights, by way of a private placement	24 April 2019	23 June 2021	€39.2 million (10% of the capital**) (€2 billion for debt securities*)
Authorisation to increase the amount of issues	24 April 2019	23 June 2021	15% of the amount of the initial issue, within the limit of the ceilings for the delegation of authority and the overall ceiling stipulated in the 21st resolution
Delegation of authority to increase the capital in consideration for shares or transferable securities	24 April 2019	23 June 2021	10 % of the share capital* and **
Delegation of authority to increase the share capital without preferential subscription rights in favour of members of a company savings plan	24 April 2019	23 June 2021	€15 million (3.8% of the capital**)

* Counts against the overall upper limit provided for by the 21st resolution.
** 98,000,000 shares on the basis of the capital at 27 February 2019.

The Statutory Auditors having submitted their reports on these various matters as presented to you, the Board duly invites you to approve the resolutions put to you.

The Board of Directors

General information

A. General information

Name	Eiffage SA
Registered office	3-7, place de l'Europe, 78140 Vélizy-Villacoublay, France Telephone: +33(0)1 34 65 89 89
Website	www.eiffage.com
Legal form and applicable legislation	*Société Anonyme* (public limited company) governed by French law
Incorporation date and term	The Company was incorporated on 12 June 1920. It will remain in existence until 31 December 2090 unless it is dissolved in advance or its term is extended
Financial year	The financial year starts on 1 January and ends on 31 December
Registration numbers	RCS 709 802 094 Versailles SIRET 709 802 094 01148 TVA FR 20 709 802 094 APE 7010 Z LEI 969500OQXKE5WDM9M994 ISIN FR 0000 130452 Bloomberg FGR FP Reuters FOUG.PA
Stock market	Euronext Paris Compartment A, eligible for inclusion in French personal equity plans (PEA) and the deferred settlement service (SRD)
Indices	SBF 120, CAC Next 20, CAC Large 60, Euronext FAS IAS and MSCI Europe
Share capital at 31 Dec. 2018	€392,000,000, divided into 98,000,000 shares with a par value of €4 each
Voting rights at 31 Dec. 2018	113,165,366 theoretical voting rights (including double voting rights)

The Memorandum and Articles of Association, registration documents, regulated information and other such documents required by law may be consulted at the Company's registered office and website as well as on the info-financiere.fr website. The Memorandum and Articles of Association and the internal regulations are available on the Company's website.

Corporate purpose (Article 3 of the Memorandum and Articles of Association)

The Company's purpose in France and in all other countries, directly or indirectly involves:

- any operations related to and undertakings involved in public works, private civil engineering contracts or the construction of buildings;
- the acquisition, utilisation and sale of processes, patents and licences of any kind;
- the design, construction, purchase, sale and operation of plants and quarries of any kind;
- the manufacturing, use and sale of products of any kind necessary to achieve its corporate purpose;
- any transactions of a commercial, industrial or financial nature or involving movable assets or property that relate directly or indirectly to the above corporate purpose or any similar or related purposes;
- the involvement in any existing or future undertakings, economic interest groupings or companies in France or around the world related directly or indirectly to its corporate purpose or any similar or related purposes, especially undertakings, economic interest groupings or companies likely to facilitate or promote the Company's corporate purpose, by any means whatsoever, in particular by contributing, subscribing to or purchasing shares or other securities in mergers, joint ventures, groupings, alliances or partnerships.

Parent-subsidiary relationships

Through a separate, wholly-owned management structure, Eiffage SA, as the Group's parent company, provides its divisions with the following services: Group General Management, internal audit and risk management, financial management (cash management and financing, accounting and consolidation, financial control, tax, legal affairs, employee shareholding and investor relations), communications, employee relations and HR development, procurement, sustainable development and cross-division innovation, and concessions. The IT department has a separate structure that manages all the Group's IT assets (hardware and software), networks and systems to ensure the highest level of service and security. It is also responsible for OS developments and maintenance.

Other support duties are carried out by and within each division. The parent company's separate management structure is remunerated by fees paid in proportion to the revenue of each division.

Simplified organisation chart showing companies within the consolidation scope

Eiffage SA[1]								
Construction and its subsidiaries			Infrastructure and its subsidiaries			Eiffage Énergie Systèmes and its subsidiaries	Concessions	
Eiffage Construction	Eiffage Immobilier	Eiffage Aménagement	Eiffage Route	Eiffage Génie Civil	Eiffage Métal	Énergie Systèmes and its subsidiaries	Motorway concessions	Other concessions and PPPs
							APRR AREA[2]	BPL
							A'liénor[2]	Pierre Mauroy stadium
							Viaduc de Millau[2]	Grande Arche de La Défense
							Adélac[2]	Universities
							SMTPC[2]	Middle schools
							Tunnel du Prado Sud[2]	High schools
							Autoroute de l'Avenir[2]	Others[3]

(1) A detailed list of subsidiaries and holdings is provided in the Notes to the consolidated financial statements.
(2) A summary of the main minority investors in motorway concessions is provided below.
(3) The main co-investors in PPPs in which Eiffage holds a minority share are generally financial investors.

Name	Percentage held	Names of other investors	Company website
APRR AREA	50.0% +1 share	Macquarie Autoroutes de France	www.aprr.com
A'liénor / A65	65.0%	Sanef	www.a65-alienor.com
Adélac / A41	49.9%	Macquarie Autoroutes de France 2	www.liane-autoroute.com
Viaduc de Millau	51.0%	Caisse des dépôts et consignations	www.leviaducdemillau.com
SMTPC	32.9%	Vinci and free float	www.tunnelprado.com
Tunnel du Prado Sud	41.5%	Vinci	www.tunnelprado.com

APRR also maintains an EMTN programme. The corresponding base prospectus, which is available on APRR's website (www.aprr.com) and on the Luxembourg stock exchange website (www.bourse.lu), contains detailed information on its financing and economic model.

Competition

Overview of the Group's main competitors by geographic area and contracting division

	Construction	Infrastructure	Energy Systems
	A leader on the construction market, which is occupied by a few major players, a number of medium-sized regional companies and many small entrepreneurs. Eiffage Construction is also one of the top property developers in France, alongside Eiffage Immobilier.	A leader on the infrastructure market (road and rail, civil engineering and metallic construction). This market is occupied by a few major players and a large number of regional and local companies. Eiffage Infrastructures is also present on the aggregates market, alongside road construction groups, cement manufacturers and several hundred local contractors.	A leader on a fragmented market.
France	Bouygues Construction, Besix, Demathieu Bard, Fayat, Léon Grosse, Spie Batignolles, Vinci Construction, and medium-sized regional companies. Bouygues Immobilier, Cogedim, Icade, Nexity, Kaufman & Broad, Vinci Immobilier and a large number of property developers.	Roads and aggregates: Cemex, Ciments Français, Colas, Eurovia, Fayat, Lafarge Holcim, Vicat and medium-sized regional companies. Civil engineering: Bouygues Construction, Demathieu Bard, Implénia, Fayat, NGE, Salini, Spie Batignolles, Vinci Construction, and medium-sized regional companies. Metal: Baudin-Chateauneuf, Matière and Fayat and foreign companies established in France.	Bouygues Énergies & Services, Dalkia, Engie Services, Snef, Spie, Vinci Énergies and medium-sized regional companies.
International	ACS/Hochtief, BAM, Besix, Bouygues Construction, Budimex, CFE, Implénia, Steiner, Vinci Construction, medium-sized regional companies and contractors based elsewhere in Europe and Asia.	ACS/Hochtief, BAM, Besix, Bouygues Construction, Balfour Beatty, Cemex, CFE, Colas, Eurovia, Implénia, Kier, Lafarge Holcim, Porr, Salini, Strabag, Vinci Construction, ACS Dragados, medium-sized regional companies and contractors based elsewhere in Europe and Asia.	Engie Services, Spie, Vinci Énergies, medium-sized regional companies and companies based in Spain.

Overview of the Group's main competitors by geographic area and type of concession

	Motorway concessions	Other concessions and PPPs
	A leader on the motorway concessions market in France and Europe, which is occupied by a great many industrial and financial players.	A leader on the concessions and PPP market in France and Europe, which is occupied by a few large industrial and financial players.
France	Atlantia, ACS/Hochtief, ATMB, BAM, Bouygues, Egis, Engie, Fayat, Ferrovial, NGE, Spie Batignolles, Strabag, Vinci, Fraport, Zurich Airport, and a large number of European and global concessions companies operating in the sectors of land and air transport infrastructure, energy, telecoms, services and financial investment, ALX, APG, Aberdeen Asset Management, ADIA, Antin, AXA, Allianz, Ardian, CDC, CDPQ, CPPIB, CNP, CUBE, DIF, Demeter, EDF Invest, Equitix and Dalmore, FFP, First State Investments, GIC, GIP, HICL, IFM, InfraRed, JLIF, 3i, OFI, LBPAM, Macquarie, Meridiam, Mirova, NIBC, Partners Group, PGGM, Prédica, Rivage, SCOR, Schroders, TIIC, a great many concessions companies based in Europe, Asia, Australia, Canada and the Middle East as well as pension funds and sovereign wealth funds. Investment funds related to banks, insurance companies and a large number of asset management companies.	Bouygues, Demathieu Bard, Léon Grosse, Egis, Fayat, NGE, Vinci, Spie Batignolles and financial investors, APG, Aberdeen Asset Management, ADIA, Antin, AXA, Allianz, Ardian, CDC, CDPQ, CPPIB, CNP, CUBE, DIF, Demeter, EDF Invest, InfraRed, Equitix and Dalmore, FFP, First State Investments, GIC, GIP, HICL, IFM, JLIF, 3i, OFI, LBPAM, Macquarie, Meridiam, Mirova, NIBC, Partners Group, PGGM, Prédica, Rivage, SCOR, Schroders, TIIC, a great many concessions companies based in Europe, Asia, Australia, Canada and the Middle East as well as pension funds and sovereign wealth funds. Investment funds related to banks, insurance companies and a large number of asset management companies.
International	Atlantia, ACS/Hochtief, ATMB, BAM, Bouygues, Egis, Ferrovial, Strabag, Vinci, Fraport, Zurich Airport, and a large number of local, European and global concessions companies operating in the sectors of land and air transport infrastructure, energy, services and financial investment, ALX, APG, Aberdeen Asset Management, ADIA, Antin, AXA, Allianz, Ardian, CDC, CDPQ, CPPIB, CNP, CUBE, DIF, Demeter, EDF Invest, InfraRed, Equitix and Dalmore, FFP, First State Investments, GIC, GIP, HICL, IFM, JLIF, 3i, OFI, LBPAM, Macquarie, Meridiam, Mirova, NIBC, Partners Group, PGGM, Prédica, Rivage, SCOR, Schroders, TIIC, a great many concessions companies based in Europe, Asia, Australia, Canada and the Middle East as well as pension funds and sovereign wealth funds. Investment funds related to banks, insurance companies and a large number of asset management companies.	ACS/Hochtief, BAM, Bouygues, Engie, EDF, Strabag, Vinci as well as a large number of local, European and global concessions companies and financial investors, APG, Aberdeen Asset Management, ADIA, Antin, AXA, Allianz, Ardian, CDC, CDPQ, CPPIB, CNP, CUBE, DIF, Demeter, EDF Invest, InfraRed, Equitix and Dalmore, FFP, First State Investments, GIC, GIP, HICL, IFM, JLIF, 3i, OFI, LBPAM, Macquarie, Meridiam, Mirova, NIBC, Partners Group, PGGM, Prédica, Rivage, SCOR, Schroders, TIIC, a great many concessions companies based in Europe, Asia, Australia, Canada and the Middle East as well as pension funds and sovereign wealth funds. Investment funds related to banks, insurance companies and a large number of asset management companies.

Appropriation of profit (Article 32 of the Memorandum and Articles of Association)

Net profit is appropriated in the following manner:

- ➔ At least 5% of net profit is transferred to the legal reserve after deduction of any losses carried forward, in accordance with legal requirements, until this reserve represents one-tenth of the share capital.
- ➔ An interim dividend is then distributed to the shareholders that represents 6% of the outstanding paid-in capital out of the remaining profit, plus any unappropriated earnings and any amounts drawn from available reserves for the purpose of distribution as may be decided by the shareholders, without any shortfall arising in one year leading to an additional deduction from the profit of the subsequent year(s). The shareholders may decide at an ordinary general meeting to appropriate the amount they deem reasonable out of any balance then remaining, either by carrying such amounts forward or transferring them to one or more optional, ordinary or extraordinary reserves, for or without a designated purpose. An additional dividend is distributed to shareholders out of any amount remaining after that.

The general meeting may offer shareholders the choice of receiving all or part of the dividend in cash or in shares. This option may also be offered in respect of any interim dividend.

General meetings (Articles 29 and 30 of the Memorandum and Articles of Association)

All shareholders are entitled to attend ordinary and extraordinary general meetings, regardless of the number of shares they own, provided they are fully paid up. General meetings are convened and held in accordance with legal provisions. The rules governing attendance at general meetings are those provided for by law.

Identifiable bearer shares (Article 9 of the Memorandum and Articles of Association)

The Company may, at any time and in accordance with the terms and conditions set out in applicable legislation and regulations, request that the identity of holders of shares carrying an immediate or future right to vote at its general meetings be disclosed.

Statutory thresholds (Article 9 of the Memorandum and Articles of Association)

Pursuant to the decision taken by the extraordinary general meeting of 26 June 2001, any shareholder that crosses the threshold to hold more than 1% of the capital or voting rights, or any multiple thereof, must disclose this information to the Company.

This requirement is set out in Article 9 of the Memorandum and Articles of Association, which reads as follows:
"Article 9: [...] Any individual or legal entity, acting alone or in concert,

who/which directly or indirectly holds 1% of the capital or voting rights, or any multiple thereof, must disclose this situation to the Company in a letter sent by recorded delivery (with acknowledgement of receipt), stating the number of shares held, within 15 days of crossing any of these thresholds.

In the event a shareholder fails to comply with the disclosure requirements provided for in paragraph 4 of this article, the shares over and above the threshold that should have been disclosed shall be stripped of their voting rights at general meetings if the failure to disclose is acknowledged by a general meeting and if one or more shareholders individually or collectively holding 5% or more of the capital request(s) this measure at said general meeting. Such shares shall remain without voting rights at any general meeting for a further two years after the crossing of the threshold has been duly and properly disclosed.

Shareholders must also inform the Company, within the timeframe and under the conditions specified in paragraph 4 above, whenever their shareholding falls below any of the thresholds referred to in said paragraph."

Board of Directors (Articles 17 to 21 and 23 to 26 of the Memorandum and Articles of Association)

The Company is governed by a Board of Directors consisting of a minimum of three and a maximum of 15 members. The Board of Directors also includes one director appointed from among employees who are members of the supervisory board of the FCPE Eiffage Actionnariat employee mutual fund or the board of directors of the Sicavas Open Ended Investment Company for employee shareholders holding Company shares.

- ➔ Directors are appointed for a term of four years. Article 18 of the Memorandum and Articles of Association provides for the reappointment of a number of members of the Board of Directors every year.
- ➔ No more than one third of the members sitting on the Board of Directors may be over 75 years old.
- ➔ The Board of Directors defines the Company's business strategy and oversees its implementation. It meets as often as the Company's needs require. The Board of Directors elects one of its members as Chairman for a term which must not exceed the term of their directorship. The Chairman organises and supervises the work of the Board of Directors and reports thereon to the shareholders at general meetings.
- ➔ The Chairman may not exceed the age limit of 70 years old. If the Chairman reaches the age of 70 while in office, their term may be extended by the Board of Directors for a maximum period of three years.
- ➔ The ordinary and extraordinary general meeting of 15 April 2015 authorised the appointment of one or more non-voting observers to the Board of Directors (censeurs). Non-voting observers are appointed by the Board of Directors for a renewable four-year term of office.

General management (Articles 22 and 27 of the Memorandum and Articles of Association)

The Company's general management falls within the responsibility of either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and given the title of Chief Executive Officer. The Board of Directors shall decide which method of general management it wishes to implement and for what duration. The Board of Directors, voting on a proposal put forward by the Chief Executive Officer, may appoint one or more individuals to assist the Chief Executive Officer, who shall be given the title of Deputy Chief Executive Officer.
The Chief Executive Officer and any Deputy Chief Executive Officer may not exceed the age limit of 70 years old. If they reach the age of 70 while in office, their term may be extended by the Board of Directors for a maximum period of three years.
The Chief Executive Officer is entrusted with the broadest powers to act in all circumstances in the name of the Company, within the limits of the corporate purpose and subject to any powers that the law expressly reserves for general meetings and the Board of Directors.

Voting rights (Article 30 of the Memorandum and Articles of Association)

The voting right attached to each share is determined in accordance with Article L.225-123 of the French Commercial Code.
As required by law, all fully paid-up shares that are proven to have been held in registered form by the same shareholder for at least two years are granted double voting rights.
To all intents and purposes, beneficial owners of shares represent legal owners vis-à-vis the Company. However, voting rights are exercised by the beneficial owner at ordinary general meetings and the legal owner at extraordinary general meetings.

Changes to capital and shareholders' voting rights

The share capital and the rights attached to the shares that make up the capital may be modified in accordance with the law, when the Company's Memorandum and Articles of Association does not contain any stricter conditions.

Provisions that may delay, postpone or prevent a change of control

The Memorandum and Articles of Association do not contain any provisions that may delay, postpone or prevent a change in the control of the Company.

B. Authorised unissued share capital

A summary of the financial delegations that may lead to an increase in capital and the authorisations to issue stock options and bonus shares currently in force is provided in section 3 of the report by the Board of Directors on corporate governance, which details the resolutions that will be submitted to the general meeting.

C. Securities carrying rights to shares, the amount of capital, voting rights and potential capital

At 31 December 2018 and 27 February 2019, the share capital amounted to €392,000,000, divided into 98,000,000 shares representing 113,165,366 theoretical voting rights at that date, including double voting rights. There was no potential capital and no securities carrying rights to shares at that date other than the 98,000,000 shares issued and outstanding. There has not been any material change in the capital since 27 February 2019.

Changes in capital over the last three years

Year	Nature of the transaction	Increase in capital		Share premium account/ Reserves	Total capital	Number of shares
		Number	Nominal value (€)	€	€	
2015	Capital increase reserved for employees	3,162,525	12,650,100	104,774,453	381,735,964	95,433,991
2016	Capital increase reserved for employees	2,648,274	10,593,096	119,966,812	392,329,060	98,082,265
2017	Cancellation of shares	3,000,000	12,000,000	–	380,329,060	95,082,265
2017	Capital increase reserved for employees	2,921,501	11,686,004	148,266,176	392,015,064	98,003,766
2018	Capital increase reserved for employees	1,933,584	7,734,336	143,607,323	399,749,400	99,937,350
2018	Cancellation of shares	1,937,350	7,749,400	–	392,000,000	98,000,000

D. Shareholding and voting rights

There are no provisions in the Memorandum and Articles of Association limiting voting rights. The following table shows the changes in shareholding and theoretical voting rights that have occurred over the last three years:

	At 31 Dec. 2016		At 31 Dec. 2017		At 31 Dec. 2018			
	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital	% of voting rights(1)	% of exercisable voting rights(2)
Free float	59,198,171	60.3%	66,998,543	68.4%	68,001,861	69.4%	62.8%	64.0%
Employee shareholders:								
FCPE Eiffage Actionnariat	9,479,802	9.7%	11,355,659	11.6%	11,771,980	12.1%	17.0%	17.0%
Sicavas Eiffage 2000	10,044,391	10.2%	6,492,482	6.6%	5,442,138	5.6%	9.6%	9.6%
Direct employee shareholding	1,134,101	1.2%	1,332,002	1.4%	1,490,752	1.5%	2.1%	2.1%
BlackRock	7,550,600	7.7%	9,929,658	10.1%	9,940,743	10.1%	7.3%	7.3%
BPI France Participations SA	5,559,781	5.7%	–	–	–	–	–	–
Treasury shares	5,115,419	5.2%	1,895,422	1.9%	1,352,526	1.4%	1.2%	–
TOTAL	98,082,265	100%	98,003,766	100%	98,000,000	100%	100%	100%

(1) Voting rights, including double voting rights (113,165,366 voting rights).
(2) Voting rights exercisable at general meetings, including double voting rights (113,165,366 voting rights) and after elimination of treasury shares.

Eiffage Group employees hold Eiffage shares through the Sicavas Eiffage 2000 Open Ended Investment Company and the FCPE Eiffage Actionnariat employee mutual fund, which has merged with the Eiffage 2011 and Eiffage Classique FCPE employee mutual funds and was created specifically for the capital increases reserved for current and retired employees that were completed in April 2013, May 2014, May 2015, May 2016, May 2017 and May 2018. Eiffage Group employees may also hold shares directly, in particular through Group employee savings plans.

In accordance with its employee shareholding policy, which has been one of the hallmarks of the Group over the past 29 years, and in order to reinforce such shareholding, Eiffage decided to carry out a capital increase in May 2019 reserved for employees without any Company contribution but with a 20% discount via an FCPE employee mutual fund specifically created for that purpose, called FCPE Eiffage Actionnariat Relais 2019, which will be merged with FCPE Eiffage Actionnariat.

E. Thresholds crossed in the past financial year

Name	Notification number	Notification date	Date threshold was crossed	Direction	Threshold crossed	Other details
BlackRock	218C0908	22 May 2018	21 May 2018	↓	10%	Ownership, on behalf of clients and funds, of 9,619,874 Eiffage shares representing the same number of voting rights, i.e. 9.63% of capital and 8.36% of voting rights.
BlackRock	218C0961	29 May 2018	25 May 2018	↑	10%	Ownership, on behalf of clients and funds, of 10,073,057 Eiffage shares representing the same number of voting rights, i.e. 10.08% of capital and 8.76% of voting rights.*
PRO BTP	2018C1035	11 Jun. 2018	31 May 2018	↓	10%	Ownership, on behalf of Sicavas Eiffage 2000, of 5,692,668 Eiffage shares representing 11,385,336 voting rights, i.e. 5.70% of capital and 9.90% of voting rights.
PRO BTP	2018C1218	6 Jul. 2018	20 Jun. 2018	↑	10%	Ownership, on behalf of Sicavas Eiffage 2000, of 5,692,668 Eiffage shares representing 11,355,336 voting rights, i.e. 5.81% of capital and 10.67% of voting rights.
PRO BTP	218C1494	28 Aug. 2018	24 Aug. 2018	↓	9%	Ownership, on behalf of Sicavas Eiffage 2000, of 5,692,718 Eiffage shares representing 11,305,436 voting rights, i.e. 5.77% of capital and 9.99% of voting rights.
BlackRock	218C2048	26 Dec. 2018	20 Dec. 2018	↓	10%	Ownership, on behalf of clients and funds, of 9,790,775 Eiffage shares representing the same number of voting rights, i.e. 9.99% of capital and 8.65% of voting rights.
BlackRock	219C0012	2 Jan. 2019	28 Dec. 2018	↑	10%	Ownership, on behalf of clients and funds, of 9,940,743 Eiffage shares representing the same number of voting rights, i.e. 10.14% of capital and 8.78% of voting rights.*
AFFM, Cohen & Steers, Numeric Investors LLC				↑	1%	Disclosure of statutory threshold crossings received in 2018.
AXA Investment Managers, PRO BTP, UBS				↓	1%	Disclosure of statutory threshold crossings received in 2018.
Allianz Global Investors, Amundi, Legal & General, Société Générale				↑↓	1%	Disclosure of statutory threshold crossings received in 2018.

* Declarations of intent: "BlackRock, Inc. now owns more than 10% of Eiffage capital in the ordinary course of its portfolio management business and does not intend to implement any specific strategy with regard to the Company or to exert any specific influence over its management. BlackRock, Inc. has not acted in concert with another party and does not intend to take control of the Company or request the appointment of itself or one or more individuals to the Board of Directors, management board or supervisory board."

To the Company's knowledge, no other shareholder, acting either alone or in concert, directly or indirectly holds more than 1% of the capital or voting rights.

F. Other information

Pledging of shares:

→ The Company has not been advised that any of its shares have been pledged as collateral.

Trading in the Company's own shares:

→ Pursuant to authorisations granted by the general meeting of shareholders, in 2018, Eiffage acquired 4,323,834 shares through cash transactions, sold 2,333,098 shares and cancelled 1,937,350 shares; 596,282 shares were transferred to employees or beneficiaries when stock options were exercised. As a result, at the end of the financial year, Eiffage held 1,352,526 of its own shares (1.38% of capital), purchased at an average price of €86.38 (par value: €4).

G. Statutory Auditors

Office	**Statutory Auditors**	
Name	KPMG AUDIT IS	PricewaterhouseCoopers Audit
Details	2, avenue Gambetta, 92066 Paris La Défense, France	63, rue de Villiers, 92200 Neuilly-sur-Seine, France
	Member of the Versailles regional auditing body *(Compagnie régionale des commissaires aux comptes de Versailles)*	Member of the Versailles regional auditing body *(Compagnie régionale des commissaires aux comptes de Versailles)*
	Represented by Baudouin Griton	Represented by Yan Ricaud
	First appointed at the general meeting of 18 April 2007	First appointed at the general meeting of 25 April 2001
	Last reappointed at the general meeting of 17 April 2013	Last reappointed at the general meeting of 17 April 2013
	Term of office expires at the close of the general meeting held to approve the financial statements for the year ending 31 December 2018	Term of office expires at the close of the general meeting held to approve the financial statements for the year ending 31 December 2018
Office	**Alternate Statutory Auditors**	
Name	KPMG Audit ID	Anik Chaumartin
Details	2, avenue Gambetta, 92066 Paris La Défense, France	63, rue de Villiers, 92200 Neuilly-sur-Seine, France
	First appointed at the general meeting of 17 April 2013	First appointed at the general meeting of 17 April 2013
	Last reappointed at the general meeting of 17 April 2013	Last reappointed at the general meeting of 17 April 2013
	Term of office expires at the close of the general meeting held to approve the financial statements for the year ending 31 December 2018	Term of office expires at the close of the general meeting held to approve the financial statements for the year ending 31 December 2018

A table showing fees paid for 2018 and 2017 to the Statutory Auditors that certified the consolidated financial statements can be found in the Notes to the consolidated financial statements, on pages 282 and 283 of this document.

Person responsible for the information

Christian Cassayre, Chief Financial Officer
Eiffage – 3-7 place de l'Europe, 78140 Vélizy-Villacoublay, France
Telephone: +33(0)1 34 65 89 89

Appended information (documents available to the public)

During the period of validity of this Registration Document, the Memorandum and Articles of Association, the Statutory Auditors' reports and the financial statements for the past three financial years, together with all the reports, correspondence and other documents and financial records concerning the Company and its subsidiaries in connection with the past three financial years, any valuations or statements prepared by experts, when such documents are required by law, and any other document required by law may be consulted at the Company's registered office.

Pursuant to Article 28 of Regulation (EC) 809/2004, the following information is included by reference in this Registration Document:

- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ending 31 December 2016 presented on pages 206 to 256 of the 2016 Registration Document filed with the AMF on 29 March 2017 under number D.17-0254.
- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ending 31 December 2017 presented on pages 240 to 302 of the 2017 Registration Document filed with the AMF on 4 April 2018 under number D.18-0262.

Other documents

The following documents have been included in this Registration Document and thus do not need to be published separately, in accordance with the AMF's General Regulations:

ANNUAL FINANCIAL REPORT:

REPORT ON CORPORATE GOVERNANCE:
pages 112 *et seq.* of this Registration Document.

Declaration by the person responsible for the Registration Document

I hereby declare that, to the best of my knowledge and as far as I can reasonably ascertain, the information provided in this Registration Document is accurate and no information has been omitted that might alter the interpretation thereof.

I further declare that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all the companies within its scope of consolidation, and that the Directors' Report presented on page 112 gives a true and fair account of the state of the business, results and financial position of the Company and all the companies within its scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

I have obtained a statement from the Statutory Auditors in which they state that they have audited the information on the financial position and financial statements included in this Registration Document and that they have read this document in its entirety.

Vélizy-Villacoublay,
3 April 2019

Benoît de Ruffray
Chairman and Chief Executive Officer

Cross-reference table

To assist readers of this Registration Document, the cross-reference table below indicates the pages on which the main information required by Annex 1 of European Commission Regulation (EC) No 809/2004 of 29 April 2004 can be found.

Cross-reference table for the annual financial report and the Directors' report

To assist readers of this Registration Document, the cross-reference table below indicates the pages on which can be found the main information required by Annex 1 of European Commission Regulation (EC) No 809/2004 of 29 April 2004.

Information	Information required for	Pages
1. Declaration by the persons responsible	**AFR**	**363**
2. Company financial statements	**AFR**	**296**
3. Consolidated financial statements	**AFR**	**224**
4. Statutory Auditors' report on the company financial statements	**AFR**	**310**
5. Statutory Auditors' report on the consolidated financial statements	**AFR**	**290**
6. Directors' report		
6.1 Information concerning the activities of the Company and the Group		**18, 19**
Condition of the Company and the Group over the previous financial year, outlook for the Company and the Group, and major events since the end of the reporting period Art. L.232-1 II + V and L.233-26 of the French Commercial Code		**12, 13, 18, 19**
Operations and results of the Company and the Group by sector of activity Art. L.233-6 of the French Commercial Code		**18, 19, 238**
Objective and comprehensive analysis of changes in the business, earnings and financial situation, in particular the borrowings, of the Company and the Group Art. L.225-100-1 of the French Commercial Code		**18, 19, 24 to 55, 112**
Key financial and, where applicable, non-financial performance indicators for the Group Art. L.225-100-1 of the French Commercial Code		**18, 19, 226**
Principal risks and uncertainties facing the Company and the Group Art. L.225-100-1 of the French Commercial Code		**125**
Internal control and risk management procedures required to prepare and process the accounting and financial information of the Company and the Group Art. L.225-100-1 of the French Commercial Code		**129**
Objective and policy for hedged transactions when the Company and/or the Group resort to hedge accounting Exposure of the Company and/or Group to price, credit, liquidity and cash flow risks Use by the Company and the Group of financial instruments Art. L.225-100-1 of the French Commercial Code		**129**
Financial risks related to the effects of climate change and presentation of measures taken by the Company and/or the Group to mitigate these risks (low-carbon strategy) Art. L.225-100-1 of the French Commercial Code		**139, 155**
Reseach and development activities of the Company and the Group Art. L.232-1 II + V and L.233-26 of the French Commercial Code		**73, 76, 120, 182**
Branches Art. L.232-1 II + V of the French Commercial Code		**285**
6.2 Legal, financial and tax information concerning the Company		**18, 19, 316, 354**
Shareholder structure and changes thereto Art. L.233-13 of the French Commercial Code		**20, 359**
Names of the companies controlled and the percentage of the Company's capital held Art. L.233-13 of the French Commercial Code		**285**
Acquisitions during the year of material holdings in companies whose registered office is located in France Art. L.233-6 of the French Commercial Code		**51, 124**
Cross holdings Art. R.233-19 of the French Commercial Code		**N/A**
Involvement of employees in the Company's capital Art. L.225-102 of the French Commercial Code		**20, 359**
Trading by the Company in its own shares (share buybacks) Art. L.225-211 of the French Commercial Code		**125**
Adjustments of securities carrying rights to shares in the event of financial operations Art. R.228-91 of the French Commercial Code		**358**
Adjustments of securities carrying rights to shares and stock options in the event of share buybacks Art. R.228-90 and R. 225-138 of the French Commercial Code		**358**
Amount of dividends distributed in the previous three financial years Art. 243 *bis* of the General Tax Code		**20**
Expenses and charges not deductible for taxation purposes Art. 223 *quater* of General Tax Code		**N/A**
Injunctions or fines for anti-competitive practices Art. L.464-2 I para 5 of the French Commercial Code		**126**
Payment terms and breakdown of outstanding trade payables and trade receivables Art. L.441-6-1; D.441-4; A.441-2 of the French Commercial Code		**141**
Amount of inter-company loans Art. L.511-6 3 *bis* of the French Monetary and Financial Code		**309**
Information concerning the operation of a Seveso installation (Art. L.515-8 of the French Environmental Code) Art. L.225-102-2 of the French Commercial Code		**N/A**
Duty of Care Plan Art. L.225-102-4; L.225-102-5 of the French Commercial Code		**126, 131, 137**
6.3 Information concerning corporate officers		**317**
Summary table of transactions in the Company's shares by corporate officers and related parties Art. L.621-18-2 of the Monetary and Financial Code and Art. 223-26 of the AMF's General Regulations		**346**
6.4 Information concerning Corporate Social Responsibility		**143**
Information concerning how the Company addresses the social and environmental consequences of its operations (including the consequences on climate change and the use of its products and services) and its social commitments in favour of sustainable development, the circular economy and food waste prevention, as well as to combat discrimination and promote diversity in all its forms Art. L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code		**145**
Disclosure of non-financial performance indicators, including details of how the Company takes into account the societal and environmental consequences of its operations, and when applicable, the effects of these operations on safeguarding human rights and fighting against corruption, and information on the consequences on climate change of the Company's operations and of the use of its products and services, the Company's commitments in favour of sustainable development, the circular economy and food waste prevention, collective agreements signed by the Company and their impact on its financial performance as well as employee working conditions, and measures to combat discrimination and promote diversity in all its forms Art. L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code		**143**
Documents appended to the Directors' report		
Report on payments to governments Art. L.225-102-3 of the French Commercial Code		**N/A**
Table summarising the Company's results over the last five years Art. R.225-102 of the French Commercial Code		**18, 19, 307**
Report on corporate governance Art. L.225-37-2 to L.225-37-5, L.225-68 and L.226-10-1 of the French Commercial Code		**316**

Cross-reference table for the corporate governance report

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Glossary

Term	Definition
Contracting operations order book	Portion of signed contracts not yet executed
Fair value of CNA debt and swaps	Fair value of loans granted by the Caisse Nationale des Autoroutes (CNA) and derivative instruments
Current operating margin	Current operating profit expressed as a percentage of revenue
Like-for-like (LFL)	Constant consolidation scope: calculated by neutralising: → the 2018 contribution made by companies consolidated for the first time in 2018; → the 2018 contribution made by companies consolidated for the first time in 2017, for the period equivalent to that in 2017 before they were consolidated for the first time; → the 2016 contribution made by companies deconsolidated in 2018, for the period equivalent to that in 2018 after they were deconsolidated; → the 2016 contribution made by companies deconsolidated in 2017. Constant exchange rates: 2017 exchange rates applied to 2018 local currency revenue

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