COLAS

WE OPEN THE WAY

ANNUAL REPORT

2023

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as of April 23, 2024

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INFORMATION ABOUT THE COMPANY

Company name	Colas
Registered office	1 rue du Colonel Pierre Avia, 75015 Paris - France
Legal form	Société anonyme
Trade register	552 025 314 RCS Paris
Fiscal year	from January 1 to December 31

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ACTIVITY

ACTIVITY

1. PROFILE

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

Backed by a global network of 1,000 local construction business units and 3,000 material production and material recycling units in more than 50 countries on five continents, the Group's 65,000 employees act locally to connect communities and foster exchanges for today and tomorrow.

Colas strives to be a leader in designing and delivering innovative and sustainable solutions in the markets it serves.

1.1. Activities

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

– Roads (construction and maintenance of road infrastructure, including road safety and signaling);

– Construction materials (production and recycling);

– Railways.

It also operates in Water & Energy Transport.

Colas performs more than 50,000 projects each year around the world, the majority of which involve recurrent local business.

1.1.1. Roads

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

Each year, via 47,000 road infrastructure projects worldwide, Colas builds and/or maintains roads and highways, airfield runways and aprons, seaports, industrial sites, logistics and commercial premises, street construction and urban development (pedestrian walkways, bicycle paths), reserved-lane public transport (tramways, bus lanes and metros with a high standard of service), recreational amenities (green paths, motor racing tracks, sports facilities) and environmental protection (retention ponds, landscaping, wind farms, ecological engineering), etc., and manufactures, installs and maintains safety, signaling and traffic management equipment for this infrastructure. The degree of seasonality of this business varies from one country to the next.

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

Lastly, in certain geographic regions, the Group's road construction subsidiaries also carry out building activities. This includes conventional new construction and renovation projects in the Paris region and the Indian Ocean and Oceania, where this is often an indispensable addition to road work, and the demolition and deconstruction of buildings in France under the Premys brand.

The Group's road construction and maintenance business encompasses a very large number of smaller projects, as well as projects of greater size and complexity, including major tramway projects undertaken as part of a consortium with rail subsidiaries.

These projects can take the form of complex contracts such as concessions, public-private partnerships (PPP) or private finance initiatives (PFI). In connection with such projects, Colas sometimes acquires stakes, mostly minority, in concession companies for highway and airport infrastructure, urban roadways, and public transport. The Major Projects Division provides subsidiaries with expertise in studies and construction.

Colas is involved in road activities at almost every one of its locations worldwide: mainland France (where it has a tight-knit nationwide network of 300 business units), the British Isles, Western Europe, Central Europe and Northern Europe (notably Finland), the United States (mainly in 21 states), Canada (in all provinces and territories), all French overseas departments and regions (Martinique, Guadeloupe, French Guiana, Mayotte, Reunion Island), the Indian Ocean (Madagascar, Mauritius), Africa (mainly in Morocco and West, Central and Southern Africa), the Middle East (United Arab Emirates, Qatar), Oceania (Australia, New Zealand, New Caledonia), Latin America (Chile) and, less frequently, Asia (Thailand).

1.1.2. Construction materials

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

Colas relies on a tight international network made up of 499 quarries and gravel pits (of which 62 are jointly owned), 129 emulsions and binder plants, 491 asphalt plants (of which 137 are jointly owned), 143 ready-mix concrete plants and a bitumen production plant (located in Kemaman, Malaysia).

For the year 2023, the Colas Group sold 93 million metric tons of aggregates (excluding recycled materials), 1.4 million metric tons of emulsions and binders, 33.1 million metric tons of asphalt mix and 2.5 million cubic meters of ready-mix concrete. Bitumen production represented 0.2 million metric tons. Colas also has a Group share of 2.7 billion metric tons of authorized reserves[1] of aggregates (i.e., 29 years of sales, Group share), with, in addition, 1.5 billion metric tons of potential reserves[2] as an additional Group share.

Colas also makes road safety and signaling equipment, chiefly in mainland France, through Aximum, which has nine production facilities.

In addition to the production and recycling of construction materials upstream of the roads business, Colas is also a major player in the bitumen distribution business, particularly in Asia (through Thai company Tipco Asphalt, in which Colas holds a 31% stake), Australia and North America. This activity is also being carried out in the EMEA region (Europe, Middle East and Africa) through Continental Bitumen Ltd. The logistics network includes nearly 70 bitumen terminals, ten bitumen ships, two river barges and 200 railcars.

1.1.3. Railways

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

The Railways business operates in 20 or so countries around the world, including in particular France, the United Kingdom but also Germany, Italy, Switzerland, the Czech Republic, Canada, Panama, Chile, Morocco, Côte d'Ivoire, Egypt, the Philippines and Singapore.

1.1.4. Other activities

Water & Energy transport

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

These activities are carried out mainly in France. Spac has continued its international development, mostly by relying on local Colas subsidiaries.

1.2. Climate and biodiversity strategy

1.2.1. Ambition

In response to climate change, Colas has adopted a strategy for decarbonizing its operations.

1.2.2. Objectives

Colas has set itself ambitious targets, compatible with the Paris Agreement: reduce its direct greenhouse gas emissions by 30% (Scopes 1 and 2) and its indirect upstream emissions by 30% (Scope 3a) between 2019 (the reference year) and 2030.
These targets are based on estimated CO_2 savings resulting from a series of actions set out in a roadmap. These have been validated by the Science Based Targets Initiative (SBTi).

(1) Authorized reserves refers to the annual tonnages authorized by the authorities, multiplied by the number of years remaining until expiration of the operating permit, at all premises controlled by the Group. This figure cannot exceed the number of metric tons that are economically viable within the scope of the permit.
(2) Potential reserves refers to tonnages currently in controlled premises, with the reasonable likelihood that a local permit will be obtained, and not already counted under "Authorized reserves". This figure cannot exceed fifty years of production, based on the assumption that a permit will be obtained or an existing permit renewed.

1.2.3. Action plan and examples

Led by a Low-Carbon Strategy Committee, the project is rolled out across the Group's operational entities via a low-carbon and biodiversity roadmap including 29 commitments, monitored by existing indicators or those in the process of being created. Actions implemented hinge around six key priorities:

- Integrating climate issues into the strategy: New business segments based on services using renewable energy (e.g. wind farms), creation of concepts helping to adapt to climate change (e.g. green lanes for tramways), employee training and awareness raising (e.g. carbon footprint e-learning module, dedicated day, Climate Fresk workshops and "The Low-Carbon Way Fresk").

- Improving energy efficiency to reduce greenhouse gas emissions linked to direct energy consumption by asphalt plants, machinery and vehicles: Energy monitoring, renewable energies and low-carbon solutions (e.g. supplying the French heavy vehicle fleet with the bio-sourced fuel Oleo100).

- Developing and promoting low-carbon products, techniques and solutions: Purchasing low-carbon cement and binders, producing low-carbon concrete, bio-based materials, reduced-temperature and cold mixes and in-place recycling (e.g. developing circular economy activities by implementing a network of Valormat and Ecotri recycling platforms in France; in 2023, rolling out the REXponsible application for Purchasing to identify, test and implement low-carbon solutions).

- Ensuring reliable carbon accounting: Launch of the Colas Carbon Counter in 2023 to automatically calculate the carbon footprint of construction projects, and operational rollout of the new methodology for calculating Scope 1, 2 and 3a emissions from all Colas operations, taking account of physical flows and expenditures relating to carrying out operations.

- Contributing to carbon neutrality and helping reduce emissions from customers and users: Innovative, sustainable mobility and traffic management services, optimized infrastructure use, carbon capture and storage (e.g. using the Qievo solution to regulate "last mile" logistics).

- Incorporating concerns relating to protecting biodiversity into activities (e.g. ecological engineering, planting trees as part of the Forest & Life partnership).

1.3. Development strategy

Colas' development strategy hinges around four key priorities:

- **Promoting value across its industrial activities, in particular quarries and bitumen:** Within a context of increasingly scarce resources, having control over aggregates and bitumen is essential for performing infrastructure projects. Over the years, Colas has established strong positions by expanding its network of quarries and developing a significant bitumen procurement, storage and distribution business. The target is to improve its control over the availability and quality of supplies, to ensure compliance with its commitments, particularly those relating to safety and environmental protection, and to hone its competitive edge by optimizing the use of its assets, notably through sales to third parties.

- **Pursuing further targeted international expansion:** Colas aims to establish itself as a local market leader in the countries in which it operates. Over the course of its history, Colas has shown that it knows how to integrate businesses of all sizes across the globe and for all of its activities. With 60% of its revenue already generated outside of France, Colas is aiming to further its global development in targeted, high-potential regions.

- **Developing and implementing low-carbon solutions:** In view of the urgent need to address climate change, Colas has adopted an ambitious decarbonization strategy entailing a number of solutions concerning production methods (energy savings, recycling, optimization of rolling stock and industrial processes, use of hydrogen, etc.) and sales methods (types of contract – long-term contracts, asset management, etc.; innovative technologies – low-temperature or cold asphalt mixes, bio-based binders, in-situ and cold road recycling, etc.; new computer services based on digital technology and data).

- **Accelerating its digital transformation:** Colas is overhauling its processes, tools, industries and products and services, primarily by leveraging big data and artificial intelligence, in order to improve its financial, social and environmental performance and that of its clients. Digital technology also plays a significant role in helping to achieve the above three objectives more quickly.

1.4. Strengths and advantages

Colas operates in long-term growth markets. These markets are driven urbanization, substantial demand for infrastructure in emerging markets, recurring needs for infrastructure maintenance in developed countries, environmental issues, the development of new forms of mobility and the digital revolution.
Colas' main strengths are as follows:

- **Collective global expertise,** thanks to the 65,000 men and women who work at Colas, united around a common history and shared values (caring, sharing, daring) and a renowned brand name.

- **Local presence** in the form of a network of about 1,000 locations all over the world, with long-standing local teams familiar with local issues and able to undertake small maintenance and upgrade projects, which account for the bulk of the more than 50,000 projects completed each year; in addition, the Major Projects Division works alongside subsidiaries to design and execute major projects.

- **International network** comprising 3,000 construction materials production and recycling units (aggregates, bitumen emulsions, asphalt mix, etc.) and supplemented by nearly 70 bitumen terminals, which give it control of the value chain at an upstream stage and in particular of its impact on the environment.

- **Capacity for innovation,** in particular with the Core Center, which designs and develops products and techniques addressing the challenges of energy transition and new uses, as well as "Mobility by Colas" in the area of digital transformation, developing new services.

- **Solid financial structure,** with a strong cash flow enabling Colas to pursue its growth strategy by continuing to take advantage of selective investment opportunities.

1.5. Competitive positioning

Roads (including safety signaling) and Construction materials

In Mainland France, Colas is the leader ahead of Eurovia (Vinci group) and Eiffage Travaux Publics (Eiffage group). It is also in competition with major national companies such as NGE and Fayat TP, SPIE, regional firms like Roger Martin, Charrier and Pigeon and a very dense network of local and regional small- and medium-sized businesses. In the aggregates and ready-mix concrete market, competitors include cement groups such as LafargeHolcim, Cemex, Equiom, HeidelbergCement and Vicat, and a regional or local network of aggregate producers. In the road safety and signaling market, Aximum's main competitors are Signature (Eurovia), Agilis (NGE), AER (Eiffage), and Girod and Lacroix in the sign sector.

In Europe, Colas is a leader in Finland in the roads industry and enjoys a prominent position in most of the other countries where it operates. Its main competitors in these countries are national corporations or subsidiaries of large international groups (construction and public works, cement makers, manufacturers of building materials).

In North America, Colas holds a market-leading position in Canada. In the fragmented markets of North America, Colas' competitors are not only local, regional and national entities (such as, in the United States, Granite Construction in the building and refurbishment of transport infrastructures and Vulcan Materials and Martin Marietta in materials), but also subsidiaries of multi-national corporations, especially in the materials production business (e.g. CRH, LafargeHolcim, Hanson-Heidelberg).

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

Railways

Colas Rail's main competitors in France are ETF (Eurovia), TSO (NGE), TGS (Alstom), Eiffage Rail, Equans, UNIFER and a number of independent mid-sized companies. In the United Kingdom, they are Balfour Beatty, Babcock, Volker Rail, BAM, Amey Rail and Ferrovial; the main competitors for other operating units are Siemens Mobility, Alstom, Larsen & Toubro, Hitachi Rail and some independent mid-sized companies as well as certain Chinese competitors such as CREC, CRCC and POWERCHINA.
WATER & ENERGY TRANSPORT

Spac's competitors are major national and international companies such as Spiecapag, Bonati, Ponticelli, Endel, Eiffage Métal, Denys and Nordon, as well as a dense network of small- and medium-sized businesses.

2. ACTIVITY REPORT

2.1. Fiscal year 2023

The key figures for fiscal year 2023 are shown in the table below :

in millions of euros	2022	2023	Change vs 2022	At constant scope and exchange rates
Revenue	**15,529**	**16,015**	**+3%**	**+6%**
of which France	*6,241*	*6,366*	*+2%*	*+2%*
of which International	*9,288*	*9,649*	*+4%*	*+8%*
Current operating profit/(loss) from activities	**468**	**542**	**+74**	
Margin on operations	*3.0%*	*3.4%*	*+0.4 pt*	
Current operating profit/(loss)	**460**	**534**	**+74**	
Operating profit/(loss)	**460**	**524** (a)	**+64**	
Net profit/(loss) attributable to the Group	**301**	**316**	**+15**	
Free cash flow	**287**	**469**	**+182**	
Net surplus cash/(Net debt)	**(292)**	**623**	**+915**	

(a) Including €10 million in non-current expenses mainly relating to the reorganization of the Indian Ocean Roads business

Consolidated revenue for fiscal year 2023 amounted to €16 billion, up 3% compared to fiscal year 2022 (up 6% at constant scope and exchange rates). Revenue amounted to €6.4 billion in France (up 2% year-on-year at constant scope) and €9.6 billion internationally (up 8% at constant scope and exchange rates). International units outside of France accounted for 60% of revenue, in line with 2022.

Revenue from the Roads business totaled €14.6 billion, up 3% year on year (up 6% at constant scope and exchange rates):

- Revenue in the France - Indian Ocean region was up 2% at constant scope and exchange rates, despite strained economic conditions, particularly for local authorities.

- Revenue in the EMEA region (Europe, Middle East, Africa) increased by 8% at constant scope and exchange rates. Inflation remained high in Central Europe and the United Kingdom, with a slowdown in Western Europe. Destia's contribution to Group revenue reached €640 million for the year, compared to €603 million for the previous year.

- In the United States, revenue was up 13% at constant scope and exchange rates, boosted by a dynamic market.

- In Canada, revenue grew by 5% at constant scope and exchange rates, driven by dynamic business activity in Ontario.

- Lastly, revenue in the Asia-Pacific region was up 8% at constant scope and exchange rates.

Revenue from Railways and Other Activities grew 6% relative to 2022 (5% at constant scope and exchange rates), boosted by Colas Rail's activities outside France.

Current operating profit from activities (COPA) totaled €542 million, up €74 million from 2022. It corresponds to current operating profit before amortization of intangible assets in the amount of €8 million. COPA for the second half of the year increased by €45 million from the same period in 2022, primarily due to improved results in the third quarter of 2023 after the sale of land in the United States.

Current operating profit totaled €534 million, up €74 million relative to 2022.

Operating profit came in at €524 million and was up €64 million relative to 2022, with €10 million in non-current expenses, mainly tied to the reorganization of the Indian Ocean Roads business

The Group recorded a net financial expense of €97 million, compared with €67 million in 2022. This was mainly due to higher interest rates.

The share of net profit of joint ventures and associates totaled €59 million, up €10 million from 2022.

Lastly, net profit attributable to the Group amounted to €316 million, representing an increase of €15 million relative to 2022.

The Group's net surplus cash amounted to €623 million as of December 31, 2023, compared to a net debt of €292 million at end-December 2022:

- Free cash flow was €469 million, compared with €287 million in 2022. This improvement was mainly due to the Group's increase in cash flow from operations.

- The net change in working capital requirements related to operating activities was positive at €729 million, as against an outflow of €251 million in 2022. This mainly reflects the reduction in trade receivables.

– The net disposals of non-current financial assets amounted to €8 million, representing an increase of €99 million relative to 2022. In 2023, Colas sold US subsidiary Branscome. As a reminder, Colas acquired Hasselmann in 2022, a group of German companies specializing in the construction of rail lines and infrastructure.

– Lastly, dividends paid out amounted to €242 million, €14 million more than in 2022.

Shareholders' equity remained stable relative to December 31, 2022, amounting to €3.2 billion at December 31, 2023. Colas' financial position improved with net surplus cash representing 19% of equity at December 31, 2023, compared with net debt representing 9% of equity at December 31, 2022.

2.2. Business activity in 2023

The breakdown of revenue by business segment is as follows:

in millions of euros	2022	2023	Change vs 2022	At constant scope and exchange rates
Roads: France and Indian Ocean	5,939	6,048	+2%	+2%
Roads: EMEA	3,245	3,506	+8%	+8%
Roads: United States	2,210	2,246	+2%	+13%
Roads: Canada	2,347	2,346	0%	+5%
Roads: Asia-Pacific	434	442	+2%	+8%
Total Roads	**14,175**	**14,588**	**+3%**	**+6%**
Railways and Other Activities	**1,346**	**1,421**	**+6%**	**+5%**
Parent company	**8**	**6**	**ns**	**ns**
TOTAL	**15,529**	**16,015**	**+3%**	**+6%**

2.2.1. Roads
(Revenue in 2023: €14.6 billion)

The Roads[(1)] business posted total revenue of €14.6 billion in 2023, up 3% (up 6% at constant scope and exchange rates). Roads represent 91% of the Group's revenue.

These revenue and percentage figures relate to two segments:

– Road construction and maintenance (including road safety and signaling): €11.3 billion, equating to 71% of total Group revenue.

– Sales of construction materials to third parties: €3.3 billion, equating to 20% of total Group revenue.

2.2.1.1. Roads: France and DOMOI
(Revenue in 2023: €6.0 billion)

The Roads business in Mainland France and the DOMOI region (Overseas France and the Indian Ocean) generated total revenue of €6.0 billion in 2023, up 2% compared with 2022 (also up 2% at constant scope and exchange rates).

Mainland France

The Roads business in Mainland France generated revenue of €5.3 billion, up 1% year on year.

Business activity held up despite complex economic conditions. The traditionally positive effects of the beginning of the midterm election period started to become evident in the second half of the year.

Colas continued to roll out its solutions to support more innovative and sustainable mobility, in line with its CSR commitments. Progress toward meeting these commitments can be seen in the increasing number of projects carried out in the decarbonization of infrastructure, soil unsealing and the prevention of urban heat islands. Examples of low-carbon products that are used include the light asphalt mix Vegecol, made with an innovative 80% plant-based binder, which is also good for rain water drainage, and whose implementation tripled in terms of surface area in 2023 relative to 2022; the bio-based asphalt mix Vegeroad; Urbalith, a light and permeable surfacing product made with an organic-mineral binder that helps prevent urban heat islands.

(1) In this section presenting 2023 activity by operating segment, the "Roads" segment described herein includes the construction and maintenance of road infrastructure, including road safety and signaling, as well as the construction materials business (sales of materials to third parties). These two businesses are combined in one segment because this is the way in which business units in the Group operate. Colas' road subsidiaries perform construction and maintenance of road infrastructure, and they produce construction materials and sell them to third parties.

Among circular economy solutions, Colas expanded its new service ranges (Valormat and Ecotri) adapted to the needs of professional builders and landscaping companies thanks to its network of 160 waste and debris recycling facilities covering the entire region. These facilities are giving materials resulting from development and deconstruction a second life, by drawing on recognized expertise in the recycling of construction waste and debris, to meet the challenge of preserving natural resources.

The wide range of major construction projects, either completed or in progress, include: the start of works on laying a 7.6 km 2x2 lane on the A680 motorway and the A7/A54 interchange; the end of works on enlarging a 25 km section of the A10 motorway between Veigné and Sainte-Maure-de-Touraine to 2x3 lanes; ongoing work on the development of the Porte de Gesvres site on the A11 motorway near Nantes; completion of upgrading works on the A63 motorway; completion of renovation of the Luxembourg airport runway and construction of parking bays at the Istres airbase; ongoing work relating to the extension of the Marseille tram system; the start of works on the Bus TZen4 route between Viry-Châtillon - La Treille and Corbeil-Essonnes railway station in the Paris region; and the development of a 100,000 m2 logistics platform for the LogisterrA26 business park in Pas-de-Calais.

Overseas France and Indian Ocean (DOMOI)

Revenue from Overseas France and the Indian Ocean (DOMOI) totaled €0.7 billion in 2023, up 12% year on year (up 15% at constant scope and exchange rates).

Performance varied across the markets of the **French Caribbean – French Guiana** region. In Guadeloupe, business remained stable. In Martinique, the market also slowed down slightly while waiting for public tenders to begin again. In French Guiana, construction activity remained buoyant, driven in particular by ongoing work on Line A of the bus rapid transit (BRT) project in Cayenne as part of a partnership (financing, design, construction, upkeep and maintenance), and by the initiation of the Sinnamary biomass production center project; the construction materials production business (quarries, concrete, blocks, etc.) held steady.

On **Reunion Island,** measures had to be taken to reorganize road activities due to difficulties in the civil engineering market. Works continued on the construction of the Pierrefonds waste-to-energy plant, while works on storage domes 3 and 4 at Le Port (Reunion Island) for Albioma were completed.

In **Mayotte,** business levels remained high, benefiting from strong growth in the construction and civil engineering market despite difficult local conditions (water shortages, security risks). Works continued on the development of dedicated bus lanes on urban thoroughfares for the Caribus transit system.

In **Madagascar,** business levels were buoyed by major modernization projects for the country's road network and public transportation systems, such as the renovation works on the RN6 highway, comprising 130 km of roadway and around 60 engineering structures, as well as the renovation works on the RN13 highway. Work began on the Antananarivo cable transportation project (TPC).

In **Mauritius,** business remained stable with respect to 2022.

2.2.1.2. ROADS: EMEA (EUROPE, MIDDLE EAST AND AFRICA)

(Revenue in 2023: €3.5 billion)

The Roads business in Europe, the Middle East and Africa (EMEA) generated 2023 revenue of €3.5 billion, up 8% year on year (up 8% at constant scope and exchange rates).

United Kingdom and Ireland

The Roads business in the United Kingdom and Ireland generated revenue of €0.5 billion in 2023, up 6% year on year (up 8% at constant scope and exchange rates).

In the **United Kingdom,** amid an environment still characterized by fierce competition, and despite the impact of budget constraints and the debt incurred by local authorities from projects under way and project bids, the government's infrastructure investment plans continued to drive activity. The subsidiary's transformation plan, aimed at tailoring its range of services and solutions to the market, continued. The seven-year maintenance contract covering the Cheshire West and Chester road network began. The service period for the eight-year maintenance and response contract covering Area 9 highways in the Midlands remained in effect. For the third year running, Colas was a signatory of the UK's Procurement Policy Note (PPN) 06, which requires companies bidding for public-sector contracts to measure and track progress towards carbon emissions reduction targets in line with the government's net-zero goal for 2050. Specific actions have been implemented, including the use of low-carbon or decarbonized energy sources, as well as the development and testing of bituminous mixes offering a reduced carbon footprint. A second project using the Recycol solution for in-place road recycling was carried out on the A41.

In **Ireland,** subsidiaries' industrial activity continued to hold up well, reflecting the ability to offer low-carbon solutions under the "Go Green" banner. The road construction business grew, as illustrated by the Network B Motorway Maintenance and Renewals Contract (MAaRC).

Western Europe

The Roads business in Western Europe generated revenue of €0.6 billion in 2023, up 9% year on year (up 8% at constant scope and exchange rates).

In **Belgium,** works continued on Liège's first tramline, as part of a PPP project (design, financing, construction and maintenance); an amendment for a time extension was signed. In a competitive market and a highly inflationary environment, the core business benefited from sustained public and private investment.

In **Switzerland,** road construction and asphalt mix production saw a slight decline, mainly in the Geneva region.

Northern Europe

In Northern Europe, the Roads business generated 2023 revenue of €0.8 billion, up 5% year on year (up 5% at constant scope and exchange rates).

In **Finland,** where the market has remained robust overall despite a geopolitical context marked by the war in Ukraine, Destia's business grew by 6%, amounting to €640 million. Work continued on constructing a section of tramline in the Kalasatama neighborhood of Helsinki and a number of wind farm development contracts were carried out.

In **Denmark,** the construction business was boosted by the launch of the 2035 national infrastructure plan, as well as the materials business, which achieved further growth. The first results of the reorientation of the Company's business portfolio were seen in 2023.

In **Iceland,** business declined against the backdrop of reduced spending on road and airport infrastructure projects.

Central Europe

In Central Europe, the Roads business generated revenue of €1.0 billion in 2023, up 11% year on year (up 9% at constant scope and exchange rates).

Activity continues to be affected by the various consequences of the conflict in Ukraine: an uncertain and unpredictable economic and political environment; high inflation and interest rates; and sustained high prices for raw materials and energy.

In **Hungary,** business remained robust, benefiting from a diversification to include private clients. In the **Czech Republic,** construction work continued on a proving ground for BMW's future mobility development center in the Sokolov region, as well as on the rehabilitation of a section of the D48 highway in the Ostrava region; business held up well in the production and sale of aggregates. In Poland, business levels rose and a section of the DK1 road was completed. In **Slovakia,** operations were refocused on roads and proved to be dynamic in the east of the country. In **Romania,** with operations focused on the production and sale of construction materials, business levels continued to hold up well. In **Croatia,** construction activity increased, with the completion of the Sisak–Lekenik section of the A11 highway, and activity was robust in the production and sale of aggregates. In **Slovenia,** business held nearly steady in a low-volume market, impacted by floods in the summer.

North Africa, Central Africa and West Africa

In Morocco, West Africa and Central Africa, the Roads business generated revenue of €0.3 billion in 2023, down 18% year on year (down 16% at constant scope and exchange rates).

In **Morocco,** construction and industrial activity remained robust, including the creation of runways at Tétouan and Laâyoune airports, two mining projects in southern Morocco and a section of the RN1 south of Tan-Tan.

In **West Africa,** business levels dropped sharply. In **Côte d'Ivoire,** business was underpinned chiefly by the construction of two sections of the Eastern Corridor road and four engineering structures financed by UK Export Finance (UKEF). In **Benin,** highlights of the fiscal year included the delivery of the highway development project (Ouèdo-Tori section) and the continuation of utilities work in the new Ouèdo development. In **Senegal,** operations were refocused on projects aimed at opening up access to rural parts of the country.

In **Gabon,** business was up, driven by public sector procurement, including the roads project in Franceville and the renovation of the Nsilé-Bifoun thoroughfare, as well as by the increase in private customers, with mining contracts and construction works for Société d'Exploitation du Transgabonais being the main contributors.

MESEA (Middle East and Southern and East Africa)

In the Middle East and Southern and East Africa, the Roads business generated 2023 revenue of €66 million, up 54% year on year (up 77% at constant scope and exchange rates).

In the **Middle East,** the road construction business was up in the United Arab Emirates, driven in particular by projects in the Abu Dhabi region, including the Sir Bani Yas Airport; in Qatar, a repair project on the Losail racing circuit was undertaken; a reminder, these subsidiaries are consolidated using the equity method and therefore do not contribute to consolidated revenue. In Saudi Arabia, Colas Arabia carried out works using Bituclair colored asphalt mixes in Diriyah. In **Southern and East Africa,** business – mainly industrial activity – moved higher, despite a challenging political and economic situation in **South Africa.**

Latin America

In **Chile,** road construction company Asfalcura and its subsidiary Oil Malal, specializing in the importing, processing and distribution of bitumen and bituminous products, experienced a slowdown in business. Several road contracts are under way in the south of the country.

Continental Bitumen Ltd

Continental Bitumen Ltd is in charge of securing bitumen supplies and developing a bitumen distribution and wholesale business in the France, DOMOI and EMEA geographic regions. A total of 1.5 million metric tons of bitumen were bought in 2023 in this scope.

The logistical capabilities needed for its operations are currently under development. In the United Kingdom, a bitumen ship with unit capacity of 20,000 metric tons entered service in 2023, and a second one with a 25,000 metric ton bitumen storage terminal is due to enter service in early 2024. Other projects are currently under review, whether in terms of investment or leasing, to add to the network.

With the development of its logistical capabilities – by sea, road and rail – and the diversification of its procurement sources, Continental Bitumen Ltd supplied 45% of the bitumen consumed Group-wide and built up its sales to third parties, which accounted for close to 30% of its business in 2023.

2.2.1.3. ROADS: UNITED STATES

(Revenue in 2023: €2.2 billion)

The Roads business in the United States generated revenue of €2.2 billion in 2023, up 2% year on year (up 13% at constant scope and exchange rates).

In an economic climate overshadowed by inflation in the first half of the year, the construction business performed particularly well on the East Coast. The bitumen business posted a strong performance while the materials business remained stable in aggregates and the asphalt mixes business sustained a slight fall. Non-core assets were sold in 2023.

Major projects completed or in progress in 2023 include: the resurfacing and extension of taxiway D at Los Angeles International Airport and infrastructure works to prevent flooding on the site of the dried up Owens Lake in California; construction works on the Interstate 75 south of Dayton, Ohio; renovation of old pavements at the historic Carter's Grove site in Virginia; and renovation of a section of the Seward Highway also comprising three works of art in Alaska.

2.2.1.4. ROADS: CANADA

(Revenue in 2023: €2.3 billion)

The Roads business in Canada generated revenue of €2.3 billion in 2023, remaining stable year on year (up 5% at constant scope and exchange rates).

In a less favorable economic climate, with the sharp rise in interest rates and high inflation at the start of the year, the road construction business remained buoyant in Ontario and held up in the western provinces (British Columbia, Alberta) and Quebec. McAsphalt's bitumen distribution business was particularly robust in western Canada. A new bitumen ship is due to be delivered in early 2024, as well as investment in new terminals, with the aim of increasing transportation and storage capacity and developing sales to the northern United States. A number of acquisitions were made relating to road and materials activities, including PEB in Quebec, and non-core assets were sold.

The project to design, build and finance the extension to the Valley Line West Light Rail Transit (LRT) line in Edmonton, Alberta, is ongoing. Other major projects in 2023 include: the enlargement of a 22 km section of Highway 40 near Grande Prairie; conversion of the Yellowhead Trail expressway in northern Edmonton into a motorway; resurfacing of the Fort Chipewyan airport runway in Alberta; construction of a new diamond interchange linking Glendale to the Queen Elizabeth Highway in Niagara; resurfacing and enlargement of a 10 km section of Highway 401 in Toronto, Ontario; creation of pavements on sections of the A85 and A73 motorways in Quebec.

2.2.1.5. ROADS: ASIA-PACIFIC

(Revenue in 2023: €0.4 billion)

The Asia-Pacific Roads business generated revenue of €0.4 billion in 2023, up 2% year on year (up 8% at constant scope and exchange rates).

Asia

Thai company Tipco Asphalt (of which Colas owns 31%) and Indian company Hincol (of which Colas owns 30%) are consolidated using the equity method and therefore do not contribute to consolidated revenue.

In **Asia,** activity at Tipco Asphalt remained overall satisfactory, with stable activity in Thailand and the Philippines, growth in Vietnam and Indonesia, and a decrease in China. Construction work on runway 3 at Bangkok International Airport, undertaken as part of a consortium by Thai subsidiary TWS, continued. In India, Hincol sustained its activity level and strong performance despite an increasingly fierce competition. Business in South Korea is conducted by joint venture Isco.

Oceania

In **Australia,** in a market benefiting from slight growth after three years of unfavorable weather conditions, road construction and sales of bitumen and emulsions picked up. Asphalt pavement works were conducted for the major roads on the East Coast, in particular in the Brisbane region.

In **New Zealand,** the construction subsidiary's activity in the Auckland region will benefit from the opening of new asphalt mixing plant in late 2023.

In **New Caledonia,** 2023 was a satisfactory year for industrial and road construction. Construction activity held firm. A runway rehabilitation project was carried out at the Wallis airport.

2.2.2. Railways and Other Activities

(Revenue in 2023: €1.4 billion)

Railways and Other Activities generated revenue of €1.4 billion in 2023, up 6% year on year (up 5% at constant scope and exchange rates). These activities collectively represent 9% of the Group's total revenue.

2.2.2.1. Railways

(Revenue in 2023: €1.2 billion)

In 2023, Colas Rail posted revenue of €1.2 billion, up 6% year on year (up 5% at constant scope and exchange rates), with more than 70% of its business generated outside France.

In **France,** business increased. Major Projects benefited from solid momentum with the Grand Paris project, in particular Metro line 15 South – East, and SNCF Réseau's mechanized projects. In metros and tramlines, 2024 will benefit from a number of regional projects currently underway – such as the T3 West tramline in Paris, the Nantes tramline, section D of the Luxembourg tramline and Lyon metro line B – and the launch of the Brest tramline. Regional Works recorded growth in the construction and material business. The Energy business was brisk in mechanized electrification activities but affected by the lack of major catenary systems projects. Power and lighting activities continued to grow, in particular with two projects on Line 18 of the Grand Paris project.

In the **United Kingdom,** in a rail market impacted by budget cuts leading to cancelled projects, the subsidiary's business levels again moved higher. The rail systems project, including track renewal, signaling, electrification and civil engineering, as part of the contract with the South Rail Systems Alliance, was completed, and a new major contract (Old Oak Common) was secured. Freight and Services activities continued to perform well. Urban activities benefited from the start-up of new Birmingham tram extension projects under Midlands Metro Alliance.

In **Mainland Europe,** operations in Germany performed well with solid progress in the integration of Hasselmann, acquired in 2022. In Italy, activity increased with the ramp-up of high-speed railway line projects. Business remained stable in the Czech Republic and decreased in Switzerland amid difficult market conditions.

In the **Rest of the world,** in the MEA (Middle East Africa) region, business grew rapidly in Egypt with the construction of several metro lines in Cairo and the award of a contract for the Abu Qir Metro; business was buoyant in urban projects in Morocco, including in Casablanca; in Côte d'Ivoire, work on Line 1 of the Abidjan Metro began. In South America, business declined in Chile with projects coming to an end. Business activity was solid in Panama, where construction work began on Line 3 of the Panama City Metro. In Canada, the project to extend the Valley Line West Light Rail Transit (LRT) line in Edmonton, Alberta, is ongoing. In Asia, business moved higher thanks to the project to replace the power supply for the Bukit-Panjang LRT line in Singapore and the start-up of two projects for the Manila metro (MMSP and NSCR) in the Philippines.

2.2.2.2. Water & Energy transport

(Revenue in 2023: €0.2 billion)

Spac posted revenue of €0.2 billion in 2023, remaining stable year on year.

In France, business generated by regional profit centers declined amid a persistent lack of major gas projects. An initial contract was won for a hydrogen production and distribution plant in Dunkirk.

Outside France, work began on rerouting the drinking water supply system ahead of the construction of the Abidjan metro in Côte d'Ivoire.

3. INNOVATION AND R&D

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

Innovation relies on the involvement of employees of operating entities in the field, whose initiatives aim to address industry-specific issues and the needs of customers and stakeholders, as well as on Group-wide projects.

Three departments play a key role in implementing this approach: the Innovation Department; the Technical, Research & Development Department; and the Sustainable Smart Infrastructure & Mobility (2SIM) Department.

The Innovation Department defines and heads up innovation projects on behalf of the Executive Management Committee (CODG in French). It monitors the portfolio of strategic projects, strategic investments in start-ups and strategic partnerships. It is also in charge of open innovation, which aims to understand technological developments and assess their impact on the future of Colas' business activities.

The Technical, Research & Development Department manages Colas' Research & Development, primarily via the Core Center, the Group's central R&D unit. It coordinates and supports the developments made by regional technical units, as well as lending its scientific expertise to innovative Group projects.

The Sustainable Smart Infrastructure & Mobility (2SIM) Department helps to bring to market new products and services that represent a break with Colas' traditional business model. It comprises the BIM by Colas teams (Building Information Modeling and regional digital twins) and teams dedicated to developing new products and services.

These three departments work together with those responsible for Sustainable Development (Environment, Health & Safety, Security, etc.) and for CSR within the Sustainable Development & Innovation Department. This structure reflects the strong ties between innovation and corporate social responsibility (CSR) at Colas, and encourages close collaboration between staff for a more coherent, efficient approach.

Finally, Colas' Executive Management Committee (CODG in French) is directly responsible for innovation governance, signing off on Research & Development and Innovation strategies, coordinating the contributions of functional departments and operating entities, monitoring ongoing developments and checking that the targets set are achieved.

Colas' innovation strategy is centered around three core priorities that help to deliver on a number of CSR commitments to its stakeholders, as set out in the ACT corporate plan:

- low-carbon materials and infrastructure solutions resistant to climate change;

- sustainable mobility solutions;

- groundbreaking technologies to improve the performance and acceptability of operations.

3.1. Low-carbon materials and infrastructure resistant to climate change

In response to climate change, Colas has adopted a proactive strategy for decarbonizing its operations. In 2023, as one of the main components of the ACT corporate plan, the actions included in the low-carbon roadmap continued to be rolled out and operating entities accelerated the implementation of solutions.

In accordance with the Research and Development policy, teams at the Technical, Research & Development Department worked on cements and hydraulic binders, bio-sourced materials, use performance of warm and cold materials, in-place road recycling, on-site reuse of materials and broadening the potential usage of new bitumen sources (in keeping with a more localized usage).

The Core Center's R&D work related in particular to the following:

- Low-carbon cement solutions: Formulation of binders including metakaolin and their assessment allowed for their properties to be verified with a view to future certification.

- At the request of operating entities, formulation of hydraulic binders and mixes for earth-retaining structures without external materials, with the aim of limiting the overall footprint of projects.

- Development of bio-based materials, which remains a major research area: The Core Center's teams have looked into forming partnerships to use sustainable or recycled adjuvants as an additional surface layer to improve the lifespan of surfaces or as hydrocarbon binder thinners to make these products more usable on a local level. The new version of asphalt mix Vegecol, which won an award from the French Institute for Roads, Streets and Infrastructures for Mobility (IDRRIM) Road and Street Innovation Committee in 2022, is ready for market. Vegeroad, an asphalt mix made from a plant-based binder, was one of the organization's award winners in 2023.

Colas' centers of expertise are also working on new ways of heating aggregates using microwaves in order to reduce the impact of production plant activities. Colas' centers of expertise are working on new ways of heating aggregates using microwaves. In addition, the Lançon-de-Provence center of expertise continued its work on developing a systemic way of adapting infrastructures to climate change by creating urban cool islands and through sustainable management of rainwater. This systemic solution incorporates a one-stop approach combining surfacing, roadway structure and urban development and planting aspects to respond to the specific challenges of the sites concerned.

At the end of 2023, 60% of the Group's R&D projects directly concerned reducing the carbon footprint of infrastructure or making infrastructure resilient to climate change.

3.2. Sustainable mobility solutions

Colas is working on developing and marketing sustainable mobility solutions that aim to respond to its clients' concerns about the environment, energy efficiency and urban densification. These solutions help improve comfort for users and residents and provide solutions to road safety issues.

After using Qievo for four years, a solution designed to improve traffic flows around the Lyon Part-Dieu construction site (Reguly project), the Fluideo project has been piloted with Olympic works delivery company Solideo using the same digital platform. In 2023, with its Qievo-Lu project, Colas won two calls for expressions of interest from the Grand Paris intermunicipal authority and the Greater Paris region to address the challenges of managing urban logistics.

The Flowell solution, which allows for better sharing of public space and improved user safety, became market-ready (carried out by the subsidiary Aximum) in 2023 after receiving authorization from the French Directorate of Road Safety and the French Directorate of Infrastructure, Transportation and Mobility (DGITM) for use at crosswalks.

Sustainable Smart Infrastructure & Mobility teams (2SIM) staff are continuing to develop solutions to allow for safe travel on private sites in France and internationally.

The Wattway photovoltaic road surfacing solution is undergoing upgrades to improve performance. A process for the mechanical application of sealing glue is currently being developed. In 2023, two 1,000 m^2 construction projects were carried out on cycle paths as part of a call for tenders for two Dutch provinces. A number of developments are also underway in Japan.

3.3. Groundbreaking technologies to improve the performance and acceptability of operations

Digital technology is essential for the transformation of Colas' operations, particularly when it comes resilience and mitigating or controlling its impact on biodiversity.

Colas continued to develop its expertise in the use of BIM (Building Information Modeling) for infrastructure projects. A long-standing pioneer in this area, it is currently joint head of the MINnD 2050 sustainable infrastructure project and head of the FNTP's BIM taskforce.

The BIM By Colas team also develops digital solutions (data services and data exchange) to allow for better control of operations and increased collaboration. Examples include the following:

- OYA infiltration basin sizing solutions and the Ground2IN plug-in, which draws on generative design principles to provide operating units with simple answers to their calculation needs.

- Development of 2IN, a BIM-SIG multi-scale visualization services and data platform to optimize company projects and assets or manage regional authorities' assets.

With the support of the Core Center and Colas Digital Solutions, the InfraCare team applies technologies that use image analysis and modeling of infrastructure ageing to allow for real-time monitoring of the condition of buildings. This solution allows infrastructure managers to look after their budget and plan works across the local network, resulting in better control of costs and the impact of maintenance works.

In order to have better control over Colas staff's working environment and capitalize on data, the Core Center is developing a solution with CEA to detect underground networks in three dimensions.

2
CORPORATE SOCIAL RESPONSIBILITY (CSR)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Bouygues SA, which has a controlling interest in the Company as defined in Article L. 233-3 of the French Commercial Code, has drafted and published a consolidated Statement of Non-Financial Performance as mentioned in its Universal Registration Document.

The Company is therefore deemed to comply with the requirements of Article L. 225-102-1 IV of the French Commercial Code.

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

In order to ensure transparency for its stakeholders, the Company has decided to have these elements audited by an independent third-party organization.

1. ENVIRONMENTAL, EMPLOYEE AND SOCIAL INFORMATION

CSR commitments under the ACT corporate plan

Colas plays a central role in local life, supporting social change while continuing to listen to the expectations of its clients, employees, suppliers, subcontractors, partners, shareholders, infrastructure users and public authorities. In Colas' business sector – the construction and maintenance of transport infrastructure – this means anticipating what is needed and coming up with innovative and sustainable solutions to address the major challenges of the 21st century: fostering regional development and social cohesion while also combating climate change and protecting resources and biodiversity.

Colas, a leading name in the construction and maintenance of transport infrastructure, has identified five key challenges facing its operations: incorporating CSR into what it does, transforming its operations, commitment to its employees, extending its commitment within its value chain and taking an exemplary approach in how it conducts its business. In response, Colas has chosen to capitalize on its regional presence and in 2021 launched the ACT (Act and Commit Together) corporate plan, highlighting its eight priorities in terms of CSR (corporate social responsibility). These priorities were established in line with the Group's ambition to leverage its strong local presence around the world to imagine, build and maintain responsible and sustainable transport infrastructure.

ACT cuts across all areas of the Group's operations and is supported by Colas' main central functions, in particular Business Development, Environment, Health and Safety, Human Resources, Procurement, Equipment, and Legal. The Sustainable Development & Innovation Department draws on the resources of its four units to coordinate and roll out the Group's CSR commitments:

– development of responsible strategies (involving the CSR, Environment and HPS Departments[1]);

– development of smart and sustainable infrastructure and mobility solutions;

– research and development of responsible products and solutions;

– institutional relations.

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

In 2023, the Group's regional business units and subsidiaries adopted their CSR roadmaps. The Group is gradually improving in adhering to its CSR commitments, adopting more robust practices and becoming more able to produce increasingly solid evidence of its impact.

(1) Health/Prevention/Security.

The table below sets out Colas' eight CSR commitments according to the five key challenges facing its operations:

Ambitions/Challenges	Commitments
Incorporate CSR into operations	**1.** Offer our customers and users solutions that meet the challenges of sustainable development in local communities
Transform Colas' activities	**2.** Roll out a low-carbon and biodiversity strategy to preserve the planet **3.** Promote circular economy solutions to preserve natural resources **4.** Reduce the impact of our activities to make them more acceptable
Invest in employees	**5.** Attract, develop and retain employees through managerial excellence **6.** Reinforce a culture of health and safety to keep people safe
Further the Group's commitment across its value chain	**7.** Build a responsible supply chain rooted in sustainable performance
Ensure that exemplary business practices are at the core of all Group activities	**8.** Reinforce an exemplary culture of ethics and compliance

In 2023, Colas continued to roll out the ACT corporate plan. This document sets out the governance, policies, strategies and roadmaps, actions and results achieved in this regard.

ACT corporate plan governance and management of the CSR approach

The ACT corporate plan is managed using a matrix-based approach with two tiers: Group and local.

First, each of the CSR commitments is assigned to a commitment coordinator at the Group level, who defines the roadmap, actions to be taken and monitoring indicators to be put in place. These commitment coordinators represent functional or corporate departments: Human Resources, Environment, Health and Safety, Procurement, Legal and Compliance, Business Development. The CSR Department periodically brings these coordinators together to monitor and oversee progress on the ACT corporate plan.

Secondly, each entity (geographical business units and subsidiaries) has appointed a CSR officer. He/she is responsible for overseeing the operational rollout of the eight CSR commitments, supporting the definition and implementation of CSR action plans within his/her scope (in keeping with the Group's corporate roadmaps). He/she monitors progress made and steers local initiatives in collaboration with their entity's roadmap sponsors/coordinators. This network of over 21 CSR officers is coordinated by the CSR Department. They meet three to four times a year at CSR officer committee meetings to oversee the project and share best practice and achievements.

In July 2023, the CSR Department organized a CSR committee meeting to look at the rollout of the ACT corporate plan on an operational level. The committee discussed improving the Group's CSR performance, internal and external CSR communications, and how to ensure that the ACT corporate plan has a lasting impact. These various sessions provided the opportunity for CSR officers to ask questions, make recommendations and discuss the constraints relating to their role. The CSR Department subsequently established an action plan for 2024.

The CSR Department is responsible for coordinating and implementing the CSR policy across the Group as a whole as well as providing expertise and overseeing CSR issues. Implementation of the ACT corporate plan is structured around four key pillars:

– promoting CSR commitments and raising awareness;

– project governance;

– implementing and monitoring entities' action plans;

– measuring non-financial performance.

To foster continuous improvement, these different stages are analyzed, evaluated and presented to the Executive Management Committee each year as the various commitments are rolled out and non-financial results are gathered during the reporting campaign. The formal involvement of the Executive Management Committee is essential to ensure the participation of Colas' entities.

Implementing and monitoring action plans

The CSR Department has put in place a process to translate CSR commitments into operational action plans.

Since 2022, the coordinators have defined and updated the essential actions entities are expected to take for each commitment. This represents around 50 actions that either have a decisive effect on the impact of commitments or pave the way for rapid progress. Each entity is required to incorporate these essential actions into its action plan. CSR officers also incorporate local actions selected to support their entity's strategy or meet the expectations of local stakeholders.

A monitoring system helps track and coordinate progress against local action plans and share achievements and best practice worldwide. Phased rollout of the system began in late 2022 and continued in 2023.

In 2023, some entities implemented best practice as to how best to roll out the project within their business units:

- In 2023, Colas France's Western Region launched the "TIC T'ACT" student challenge, in which 30 students from six engineering schools were invited to the Colas France Western Region headquarters in Mérignac. The aim of the challenge was for the students to make a pitch to a panel on three ACT commitments, talk to the Colas France's Western Region's Management Committee and raise funds for charities connected to the Group's CSR efforts.
- In 2023, Colas Rail initiated the assessment process to obtain AFNOR's "Engagé RSE" CSR certification. Organizations are assessed on the basis of how ISO 26000 principles are incorporated into their strategy and management. Colas Rail received a rating of 622/1000.
- In 2023, Colas USA got all its subsidiary managers to sign on to a CSR policy and appointed a CSR director, who issues a specific newsletter on each commitment, sharing definitions and concrete examples.
- Colas Canada has appointed nine champions for each CSR commitment, and in February 2023 it launched a roadshow that included nine "TI Live Events", featuring specific initiatives, interviews and live Q&A sessions with employees.

Measuring non-financial performance

The CSR Department coordinates non-financial reporting in order to track the performance of CSR indicators, and consolidates qualitative and quantitative non-financial data in Colas' various annual publications. Around 70 environmental, social and societal non-financial indicators are collected across the Group each year. In 2022, a new reporting tool was implemented to simplify the process of collecting environmental and social indicators from users and offer more advanced analytical capabilities. The data is analyzed at different levels to identify strengths and priority actions.

In 2023, the CSR Department coordinated an assessment of Colas' available information in relation to CSRD reporting requirements, involving 15 in-house experts (including those in charge of the ACT corporate plan) on the various aspects of the CSRD. The Group is also in the process of carrying out a double materiality assessment to confirm the extent to which the CSRD will be applied.

Communications

Promoting CSR commitments and raising awareness

With the support of the Communications Department, the CSR Department undertakes various activities to promote and raise awareness of the ACT corporate plan among employees.

Various training and awareness-raising activities were undertaken in 2023:

- Launch of Starter ACT, a motion design video setting out the Group's eight CSR commitments, intended for all employees including construction site workers. The video has been translated into the various languages used by the Colas Group and attracted over 11,700 views.
- Specific employee upskilling tools have been implemented by the Environment Department: Climate Fresk and Low-Carbon Way Fresk, to raise awareness among employees of the impacts of Colas' various activities and the solutions set out in its low-Carbon and biodiversity strategy, as well as webinars on compliance rules.
- Talks were given at Colas' various universities or academies around the world to raise awareness among employees about CSR.

In 2023, the CSR Department updated Colas Share ACT, the knowledge management platform dedicated to the Group's CSR commitments. This platform brings together a range of tools made available to operational staff: communication materials, information about commitments and a guide to answering CSR questions that come up in calls for tenders. The platform, which is open to all Colas employees, can also be used to share best practice and links to subsidiary expertise on the Colas Share platform.

Internal communications

Digital tools
Colas relies on various channels of communication to keep employees informed:

- Yammer, the Group's in-house social network, gives employees the opportunity to share their experiences and promote best practices via communities organized by business line, project and geographical area.
- My Colas, an online in-house portal for all employees with a Group email address, providing Group and local news, including a dedicated section on the ACT corporate plan.
- Colas Share, SharePoint sites covering different topics, as well as a Colas Share ACT site dedicated specifically to the ACT corporate plan. A new Colas Share site focusing on the circular economy was created in late 2023. A CSR newsletter is available in Colas Share ACT.

- Challenger Express, Bouygues' internal newsletter, highlighting the actions taken by Colas and other Bouygues Group subsidiaries, particularly in terms of CSR.

Subsidiaries also have specific digital tools. For example, Colas France has a blog, l'e-Changeur, for sharing news from the field (related to the ACT corporate plan, for example, with topics covering low-carbon solutions and the launch of the Colas Carbon Counter). Colas Rail produces an online news program focusing on CSR initiatives.

ACT corporate plan events

In 2023, a variety of events were held to get Colas employees onboard with the ACT corporate plan throughout the year:

- Colas USA organized its annual conference dedicated to ACT, focusing in particular on low-carbon solutions, health and safety, and charitable efforts. CSR trophies were awarded as part of the conference.
- During European Mobility Week in September 2023, Colas promoted its innovative mobility solutions (Wattway, Flowell, Moov'Hub) internally and on social media (see My Colas).
- Safety Week: the 10th Safety Week was held in June 2023 on the theme of collision risk. All Group employees around the world were once again informed about this risk. Testimonies, case studies, games and workshops provided the opportunity for discussion about safety regulations and shared vigilance, in keeping with the zero-accidents target.
- Colas held its third Environment Day to raise employee awareness of issues related to water (water stress, the impact of Colas' activities, microplastics). Events included 15-minute environment briefings at all construction sites, conferences, webinars and on-site conversations. Practical sheets with tangible actions to be implemented on construction projects were also distributed.
- The third Colas Team Cup, an international sporting and artistic challenge, was held in Marrakech in conjunction with Colas Foundation, providing the opportunity to support charitable initiatives during the finals. For the first time this year, the Colas Team Cup worked with Apprentis d'Auteuil and its local partner charity, Al Karam, to support their Najah project. The charity helps young people living on the street and in highly precarious circumstances by offering them educational support and access to schooling, in particular a variety of professional training courses in Marrakech. Colas Foundation has donated just over €20,000 to the project, as well as supplies.

Branding and employer brand
To showcase its brand, Colas set up a brand platform in 2020 that reflects its core identity and purpose: building and maintaining sustainable transport infrastructure. In 2023, the Company continued to promote its values by means of various events and internal communications, including video messages from the Chairman and CEO.

To bolster its employer brand, for the first time ever Colas opened up the Colas Team Cup competition to more than 300 students. This event helped to make Colas more attractive to potential future employees, with recruiters trained in answering their questions about the Company's CSR policy. In France, a new recruitment campaign was launched on social media in September to showcase employee profiles.

External communications

CSR commitments and the ACT corporate plan are presented on Colas' website[1].

Colas promotes its CSR initiatives on social media using the hashtag "#ACT". Routes magazine, available in print and online, is published twice a year. Issue 49, which came out in June, includes a dedicated section on CSR. At the end of 2023, a number of articles about Colas' CSR initiatives were published in a special issue of Bouygues' Minorange magazine. Entities and subsidiaries also help to spread the word about CSR projects with their own publications and magazines, such as Spac with "Espace" and Colas USA with "Crossroads".

Colas attended industry events such as Pollutec, VivaTech and the Salon des Maires et des Collectivités Locales (French Mayors' exhibition), as well as the World Road Congress (WCR), held in Prague in 2023, and TransMEA in Cairo via Colas Rail, to present its sustainability goals and solutions to customers in particular.

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

Environmental, climate-related and societal challenges create both strategic challenges and opportunities for Colas. Whether in the public or private sector and whether local or global, customers are conveying greater expectations with regard to the environment and society, and incorporating these concerns into the design of their projects and in their specifications. Colas goes beyond just the technical and economic aspects to design infrastructures that are central to the transformation of cities and local regions. That is why Colas incorporates CSR into its business activities by:

(1) https://www.colas.com/

- developing products and services that address sustainable development priorities;
- designing and offering sustainable, next-generation infrastructure projects;
- involving stakeholders in its approach and promoting its CSR commitments.

This commitment is supported by two Group departments, Business Development and Marketing, as well as by the Sustainable Smart Infrastructure and Mobility Department (2SIM). To help them deliver on this commitment, these departments are supported by a community of business development officers at each entity, overseen by an operational coordinator, and by the Group's expertise and support resources. In particular, this network of officers (operational staff, sales representatives, technical managers, etc.) facilitates the sharing of best practice in relation to solutions offered to customers.

1.1.1. Developing products and services that address sustainable development priorities

The products and services offered by Colas are evolving to meet sustainable development needs and multiple stakeholder expectations. To this end, the Group takes into account the following:

- the impact of solutions on the environment, in particular preserving resources (materials, energy, water, etc.) and their acceptability;
- mitigating the effects of climate change through low-carbon solutions and services that reduce greenhouse gas emissions (traffic regulation systems, active mobility solutions, etc.);
- adapting to climate change by means of resilient solutions (ecological engineering, urban cooling islands, permeable paving, etc.);
- the transition to low-carbon solutions, which presents market opportunities in new business segments (decarbonized mobility, renewable energy, hydrogen networks, etc.) as well as in sectors that will benefit from shifts in modes of transport, such as ports and associated intermodal platforms.

Promoting environmentally friendly alternatives to limit the impact on the environment

Based on the needs set out in the specifications, and where public procurement rules allow, Colas offers its customers environmentally friendly alternatives. They are supplementary solutions which require less energy, transportation and materials, and produce less greenhouse gas emissions. Through its environmentally friendly alternatives, Colas is also able to offer innovative solutions that make construction projects more acceptable.

The number of environmentally friendly alternatives offered reflects the state of each market, with conditions sometimes making it more difficult to offer such alternatives: for example, some countries, such as the United States, Canada and Morocco, do not allow environmentally friendly alternatives to be included in public tenders. The Group adapts to the specific regulations and policies of each market. Where possible, Colas endeavors to promote the environmental benefits of its solutions and suggest alternatives once contracts are awarded.

Colas has set itself the target of increasing the number of environmentally friendly alternatives on offer to 1,000 per year between now and 2030.

To better classify the environmental benefits presented by its environmentally friendly alternatives, Colas uses Seve®, the eco-comparison tool developed by the industry in France. This software is being rolled out internationally, notably in the United Kingdom and Canada. In addition, Colas updated its French range of low environmental impact products and solutions that was shared with unit managers, sales representatives and design offices. A product catalog was created in Morocco to showcase low-carbon solutions.

Examples of low-carbon solutions in 2023 include:

- Recycol, which saves on transportation and materials and allows for materials to be reused for road resurfacing works, was rolled out in a number of countries in 2023. The solution won 2023 Net Zero Project of the Year for its first applications in the United Kingdom. In Saudi Arabia, an initial Recycol pilot project agreement has been signed with the Ministry of Transport. The project began in 2023. Following conclusive initial trials, Colas is now set to develop the technology in the country.
- Easycold, as well as the 100% aggregate version Easycold R+, allows for reclaimed asphalt pavements to be recycled in situ. This process enabled reclaimed aggregates to be reused in road base asphalt.
- Vegecol, a light asphalt mix made using an innovative 80% plant-based binder constituting an aesthetic, low-carbon alternative, thanks in particular to its lower production temperature. Outside of France, it is being trialed in countries such as Denmark, where this emulsion binder for surface dressing has been tested.
- ColGrill R, an asphalt mix reinforced with thermo-bonded glass fiber mesh which can reduce CO_2e emissions by as much as 45% and uses less materials than the conventional solution, and was used by Colas notably in the bus rapid transit project in Cayenne. The Group also proposed installing solar panels on some shelters and buildings to reduce the environmental impact of the infrastructure over its lifetime.

– Colpiste, a technology that can be used to create more affordable roads without bitumen, to provide safe roads in emerging countries. In 2023, this solution was selected by the GIH (Global Infrastructure Hub) in its call for submissions supported by a number of international lessors such as the World Bank, ADB and AIIB.

– Hello Travaux, an application developed by Colas to improve site acceptance by facilitating dialogue with local residents living close to construction sites. This reflects the Group's commitment to addressing the concerns of local communities. Since late 2019, this app has been rolled out to more than 250 construction sites in France as well as sites in Morocco, Switzerland and the United Kingdom.

Two key indicators measure the implementation of environmentally friendly alternatives and their impact: the number of suggestions made using an eco-comparison tool and the amount of greenhouse gas emissions avoided.

Indicators	Scope	Unit	2021	2022	2023
Number of suggestions made using an eco-comparison tool	World	Number	198	325	768
Greenhouse gas emissions avoided thanks to environmentally friendly alternatives selected	World	tCO_2e	4,555	7,261	11,432

The number of suggestions made using an eco-comparison tool doubled between 2022 and 2023. Communication and efforts to raise awareness about Seve® continued in 2023 with training of employees and design offices in France. In addition, there is growing customer demand for more environmentally friendly alternatives in calls for tenders. This approach is on the increase outside France, particularly in the United Kingdom, Switzerland and Senegal, and at Spac.
The proportion of greenhouse gas emissions avoided also increased in line with the number of environmentally friendly alternatives selected.

N.B.: Seve® has been made available to public sector clients in France free of charge in association with all FNTP members.

Adapting infrastructure to climate change and regional resilience

To help local regions adapt to climate change, the Group develops innovative solutions focusing on three core priorities: creating cool islands and paths, ecological engineering – i.e. projects that incorporate environmentally friendly mechanisms and help make ecosystems more resilient – and reusing artificial spaces.

Colas' solutions for adapting cities to climate change form part of its Greencol approach, which aims to put in place the technical building blocks to offer urban development solutions that can be adapted to different urban uses. The aim is to provide numerous benefits, in particular urban cooling to keep conditions as bearable as possible during heatwaves, managing rainwater at source to align with the natural water cycle while also limiting the impact of heavy rainfall, which is increasing with climate change, and providing better living conditions for residents.

Solutions have been identified to counter urban overheating such as covering urban spaces with materials with high albedo, which Colas recommends for large areas with high sunlight. The Greencol approach is based on engineering studies, which are needed to respond to the specific challenges facing each local region using various eco-design methods, site analysis, materials characterization, microclimate modeling and in-situ instrumentation.

The Colas Group has also set up a center in Lançon-Provence for R&D on adapting urban spaces to climate change. The site focuses on experiments to work out how to assemble existing and/or innovative solutions to scale in order to address customers' concerns as best possible. The center is also experimenting with an eco-design-led approach spearheaded by the Group's Marketing Department to listen to the needs of local authorities, design offices, project owners, residents/users, architects, urban planners and experts by means of workshops on the solutions of tomorrow.

Colas also broadened its expertise in ecological engineering to help boost regional resilience. This includes the preservation or rehabilitation of natural habitats, or restoration of degraded habitats. This activity has seen rapid growth within the Group, with entities organizing themselves specifically for this market. In France, for example, ecological engineering projects now constitute a recurring activity for Colas' Western Region and subsidiary Perrier TP Terrassement. As of this year, each of Colas France's regions has its own ecological engineering officer responsible for developing this activity on the ground.

Colas is also committed to reusing sites that have already been developed and thus are no longer in their natural state, a key lever for achieving the goal of "no net land take" in France by 2030. This objective is centered on three main areas:

– Regeneration of brownfield sites, such as the redevelopment of a former metalworking plant in Unieux for EPORA (Etablissement Public Foncier de l'Ouest Rhône Alpes). This large-scale project has involved terracing and paving management works by Colas subsidiary Perrier TP, followed by decontamination works by Colas Environnement taking a total of 18 months.

– Colas Environnement's specialist area of decontamination, drawing on its 40 years of experience. The Group has experience in all decontamination techniques and applies innovative, bespoke solutions such as ERH (Electrical Resistance Heating), in which contaminants are extracted by heating the soil and groundwater to a temperature of 75°C, and then brought to the surface via a duct system.

– Investment in innovation and R&D to reduce decontamination costs and encourage the reuse of brownfield sites, as well as coming up with solutions to counter pollutants such as per-and polyfluoroalkyl substances (PFAS).

Low-carbon transition

Colas has undertaken construction projects linked to low-carbon energy production facilities (wind farms, solar farms, biogas plants, etc.) as well as low-carbon transportation infrastructure projects.

Some of the key examples in 2023 were as follows:

- Colas Martinique is involved in the construction of GRESS 2 and 3, a six-turbine wind farm on the slopes of Mount Pelée, where it is building facilities for transporting abnormal loads.
- Spac – Colas' subsidiary specializing in the construction and maintenance of water and energy networks – participated in connecting the Dieppe wind farm, which consists of 62 wind turbines located 15 km offshore.
- Colas Rail participated in designing, building, operating and maintaining Line 1 of the Abidjan Metro, which will streamline travel and ease congestion in the city.
- Colas Rail also took part in building a monorail for the future metro line in Panama City.
- Wattway opened two photovoltaic cycle paths (2,000 square meters) to combine infrastructure with renewable energy generation in the Netherlands.

Moreover, to support development in lower-carbon transportation infrastructure activities, in 2022 Colas set up a business line dedicated to active mobility (cycling and walking) within the Business Development and Marketing Department. This business line's mission is to help entities in this segment, which is growing fast in many countries. In 2023, it was involved in mapping out the active mobility market in five key countries (France, the United Kingdom, Ireland, Belgium and Switzerland), helped to target and qualify hundreds of opportunities with sales teams and profit centers, worked on the joint development of the first dedicated pump tracks and greenways, and created brochures on capitalizing on best practices specific to these projects, from pre-sales through to execution.

1.1.2. Designing and promoting next-generation infrastructure

Thanks to its long-standing expertise in infrastructure, Colas is in a leading position to design and promote infrastructure that is safe, sustainable, accessible, shared and connected, but also rich with new features. Colas' range of services and solutions spans a number of areas, including sustainable infrastructure management (e.g. through performance contracts), local development in response to changing uses and the addition of new features to infrastructure.

Sustainable infrastructure management using performance contracts

Colas has adopted a structured approach that aims to control the overall cost of infrastructure projects over the long term. This approach also contributes to reducing the environmental impact of infrastructures – in particular greenhouse gas emissions – over their entire lifecycle. It is centered on the development of services and solutions for the management of infrastructure estates on behalf of public and private sector customers. Promoting comprehensive performance contracts is at the heart of this approach. These performance contracts rely on factual data on the state of the estate, allowing for the scheduling of predictive maintenance over the long term.

Colas also offers a range of solutions to optimize road network maintenance using innovative inspection techniques. These technologies include road laser sensors able to measure to one millimeter, used by Aximum subsidiary Technologies Nouvelles, and a new road inspection tool developed by Colas using computer vision-based AI. With this new tool, Colas is offering a new service called Infracare® that aims to advise local governments on the most economical and effective multi-year predictive maintenance program in terms of environmental impact and budget. Colas intends to favor preventive maintenance in order to reduce the carbon impact of works over the long term, optimize budgets and improve service standards. In 2023, more than 30 local authorities in France and abroad had access to InfraCare® under Colas' multi-year maintenance contracts, representing over 200 readings and 4,000 km of roads recorded.

Keeping up with changing uses

Colas helps to improve users' quality of life with solutions that allow for better sharing of public spaces where various forms of mobility intersect, for example with Flowell, an interactive luminous signaling solution. There are more than 57,000 road accidents each year in France, with more than 500 pedestrians losing their lives on or around a pedestrian crossing. Flowell pedestrian crossings provide increased safety for users around pedestrian crossings in sensitive areas frequented by vulnerable users such as children, families and the elderly, or areas with a high accident risk such as transport hubs and routes into and out of the city.

In July 2023, Colas' Flowell motion sensor light-up pedestrian crossing was approved by the French Ministry of Transport, enabling it to begin selling the product via its subsidiary Aximum. This makes it the first dynamic horizontal road signage system to obtain regulatory authorization in France. Flowell is also being rolled out in other countries via a network of partners such as BAM Royal Group in the Netherlands (sold under the name LED-OP) and TOA Road in Japan. In the United States, Colas has submitted the project for the American Traffic Safety Services Association (ATSSA)'s Innovation Award.

Colas is establishing its position in the cycle paths market. In 2023, the active mobility market was mapped out in five key countries – France, the United Kingdom, Ireland, Belgium and Switzerland. The Business Development and Marketing Department was involved in targeting and qualifying hundreds of opportunities with sales teams and profit centers, worked on the joint development of the first dedicated pump tracks and greenways, and created brochures on capitalizing on best practices, from pre-sales through to execution, specific to these projects.

Adding new functionalities to infrastructure

Colas develops a number of solutions that allow infrastructure projects to provide additional services for local regions and their users:

- Wattway, in use since 2015, is a photovoltaic road surfacing solution which uses the roadway itself to generate renewable electricity. After an initial development of "Wattway Packs" in 2022 in the Japanese archipelago, in 2023 Colas continued to install these turnkey solutions for producing, supplying and storing renewable energy for roadside equipment (electric bicycle charging points, for example). This solution, which has also been rolled out across large car parks at industrial and commercial sites, complies with France's bill to accelerate the development of renewable energies. It can add to the renewable energy generation capacity of sites already fitted with traditional solutions such as solar panels on the roof. In September 2023, Colas launched two 1,000 m2 Wattway cycle paths in the Netherlands. Energy production is estimated to be 160 MWh over the course of a year.

- Moov'Hub, in use at Paris-Saclay since 2019 under the name Park'in Saclay, allows for the dynamic management of public and private parking. The service was renewed in 2022 for a further three years.

- Qievo optimizes truck traffic flows around construction sites in dense urban areas thanks to better road sharing. The solution reduces conflicts of use in public areas, disturbance and environmental impact. This solution has already been implemented at the Lyon Part-Dieu construction sites for four years and at the site of the 2024 Paris Olympics Athletes' Village. Qievo was selected by the Île-de-France region in two calls for expressions of interest, one of which aims to optimize last-mile logistics by enabling retailers to enter their delivery requirements into a shared tool.

- ANAIS is a service that helps identify risky areas by processing data from vehicle routes, recommending then monitoring preventive management of road networks. This solution has been rolled out in French administrative departments and in 2023 was implemented by National Highways in the United Kingdom as part of Colas UK's Area 9 contract which covers around 3,800 km of road networks.

In digital technology, Colas is also recognized as a key player in BIM (Building Information Modeling), a technology that allows for management of information relating to an infrastructure project, building or civil engineering project on the basis of a digital model.

In addition to its traditional activity of responding to calls for tenders, the Group develops specific technologies such as 2IN, a digital twin mapping platform to save, manage and view internal data (sites, soil data, project data, as-built drawings, etc.) alongside Open Data concerning soils, environmental issues and existing networks. This gives Colas a better understanding of project designs and enables it to offer its customers the services they need, such as predictive maintenance (e.g. InfraCare), calculation of urban heat islands, soil decontamination and the circular economy.

Colas is involved in the INCIT-EV project, funded by the EU's Horizon 2020 program, on three levels: at an early stage with R&D, during construction of the demonstration site, and further on in the process in formulating final recommendations. Through this involvement, it has contributed to designing and creating a dynamic electric vehicle induction charging demonstration system, with a monitoring program lasting several years. More generally, the Group is continuing to monitor and assess the various technological options available for developing electric mobility on road infrastructure.

1.1.3. Involving stakeholders and promoting its CSR commitments

Colas builds strong relationships with stakeholders (including customers, engineering firms, investors, users, local residents and employees), working with them to develop sustainable solutions. The cornerstones of this approach are listening to customers' and users' expectations and promoting the Group's CSR strategy among its customers and partners.

To help it understand its customers, Colas uses a range of customer satisfaction measurement tools: In 2017, Colas France adopted a consistent approach to measuring customer satisfaction and its Net Promoter Score (NPS) using a system under which each profit center surveys its clients at the end of each construction project and results are monitored over time.

Customers are now asking their suppliers and subcontractors to have their CSR performance assessed externally. This being the case, Colas meets the requirements of EcoVadis, the CSR performance assessment platform used by many companies around the world: Colas France updated its EcoVadis assessment in 2022, scoring 71 out of 100. Similarly, other Group entities updated their EcoVadis assessments: for example, Tersen and Spac achieved Gold and Silver status, scoring 70 and 64 out of 100, respectively.

Colas profit centers are also committed to abiding by standards specific to their business areas:

- In France, the CMSE, Midi Concassage, Socava and Vergne quarries have obtained Maturity level CSR accreditation from UNICEM Entreprises Engagées in recognition of the concrete measures taken in terms of listening to and dialoguing with concerned parties.

- The Toulon profit center has held FNTP (Fédération Nationale des Travaux Publics) public works CSR accreditation since 2023.

- Colas Rail is in the process of obtaining AFNOR's "Engagé RSE" CSR label for its operations across the globe, which assesses the maturity of companies' CSR strategy on the basis of ISO 26000.

In the United Kingdom, in response to customers' requests to assess the social value of its projects, Colas is using a dedicated system to quantify the economic impact of its initiatives in support of inclusion, local jobs, apprenticeships, etc.

Colas leverages industry bodies and federations to promote environmental, low-carbon and circular economy solutions. For example, Colas France has signed a pact between mobility infrastructure operators that lists 13 actions to reduce the footprint of construction sites in France.

To help profit centers put Colas' CSR approach into practice, the CSR Department has implemented an operational solution: a Q&A for responding to calls for tenders offering example answers to the most frequently asked questions.

Colas also fosters relations with Bouygues Group investors, in accordance with the standards set by Gaia, and plays a role in dedicated events.

Alongside these approaches, Colas works with its customers to develop its local ecosystem:

- In France, many profit centers have held Customer Days to present Colas' CSR approach and low-carbon and circular economy products and offered Climate Fresk workshops to their customers. These days, organized each year, are to be rolled out gradually in other countries in which the Group operates.

- In Finland, meetings – usually monthly – are organized with customers to raise awareness about CSR and tell them about what Destia is doing.

- Colas' subsidiary Spac has implemented a proactive, structured approach to meeting with key customers' CSR teams to help them build "best bid" criteria into their tenders covering low-carbon and circular economy aspects. This approach has already produced tangible results. For example, one customer has implemented a scale for evaluating and comparing bidders' carbon performance. In addition, Spac's sales team has made XaitProposal, a tool used to respond to bids, available to design offices. The technical brief templates provided include detailed information about the Company's CSR commitments.

- Colas Environnement came first in the "Calculation Tools" category of the Trophées de l'Action Climatique (climate action awards) organized by French soil decontamination association UPDS. Its project incorporates eco-comparison tool Seve® into brownfield site decontamination and regeneration works. This innovative approach helps evaluate environmental impact factors early on in the project planning process to promote more informed decision-making. Combined with the Colas Carbon Counter, which calculates greenhouse gas emissions during the construction phase, this initiative plays an essential role in significantly reducing the Group's environmental footprint across all the stages of its activities.

In addition, in 2023 at different professional trade shows such as VivaTech, the World Road Conference and Pollutec, Colas showcased its experience, expertise, and technical solutions at round-table discussions on the topics of the circular economy, low-carbon construction processes, protecting biodiversity, adaptation and resilience to climate change, regeneration of brownfield sites and the sustainability of infrastructures.

1.2. Rolling out a low-carbon and biodiversity strategy to preserve the planet

The climate emergency and the collapse of biodiversity are key challenges for the coming decades. Colas strives to respond to these new challenges, primarily by incorporating carbon and biodiversity concerns into its strategy, adopting measures to reduce the carbon intensity of its direct emissions, developing and promoting low-carbon techniques and solutions, improving its carbon accounting year to year, and offering low-carbon products and services to enable customers to reduce their emissions.

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

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

Within this context, in December 2020, Colas announced an ambitious target to reduce its CO_2e emissions by 2030 relative to 2019 (baseline year):

- a 30% reduction in direct greenhouse gas emissions (Scopes 1 and 2);

- a 30% reduction across the entire upstream value chain (Scope 3a), which accounts for around 85% of total emissions.

These targets were validated in October 2021 in accordance with the Science Based Targets initiative (SBTi)'s recognized methodology as being aligned with a "well below 2°C" trajectory compatible with the Paris Agreement.

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

- incorporating climate change priorities into the Group-wide strategy;

- taking action to lower the carbon intensity of direct emissions;

- developing and promoting low-carbon technologies and solutions;

- optimizing carbon accounting of operations;

– contributing to carbon neutrality and helping reduce emissions from customers and users;

– incorporating priorities related to biodiversity loss into operations.

The low-carbon and biodiversity roadmap is coordinated by the Environment Department via a Low-Carbon and Biodiversity Strategy Committee made up of carbon sponsors appointed from each geographical business unit. The role of these sponsors is to take action on a local level. This committee also includes representatives from central Group functions: Equipment Performance, Purchasing, Business Development, Technical and R&D, Innovation and CSR. Environment officers are also involved in rolling out the roadmap within their entities, including in particular carbon accounting tools developed since 2022.

As of 2021, carbon sponsors and equipment performance managers enter low-carbon CapEx and OpEx for the next three years into investment proposals. These are reviewed twice a year using software developed by the Environment and Equipment Performance Departments. The goal is to incorporate low-carbon and biodiversity efforts into Colas' annual strategic reviews. CO_2e emission savings are entered each time. To make forecasts for 2030, the Environment and Equipment Performance Departments developed the Carbon Trajectory tool in 2023 to:

– quantify CO_2e savings arising from the various options already identified for achieving targets by 2030;

– track changes in CO_2e emissions year-over-year for Scopes 1, 2 and 3a.

Mobilizing the workforce through an awareness-raising program

To successfully achieve this strategic transition, Colas needs to support its employees, mainly by means of training and raising awareness. A general campaign launched to raise awareness about climate issues using the Climate Fresk program has pursued this objective year after year since it was initiated in September 2021. 14,659 employees worldwide have attended workshops led by 281 trained in-house facilitators (as of year-end 2023). The target shared with the Bouygues Group is to train all management-level employees by the end of 2024.

Following on from the Climate Fresk workshop and to create a tool more suited to Colas' activities and the challenges it faces, the Environment Department developed the Low-Carbon Way workshop in 2022, comprising four main parts. The first describes the value chain for the Group's businesses, and the second sets out greenhouse gas emissions generated by each link in this chain. Information is then provided about the impact of Colas' activities on the environment and biodiversity. Finally, the last part presents solutions developed by Colas to achieve its CO_2e reduction targets. At the end of 2023, 339 people and 24 facilitators at the Group had been trained in the Low-Carbon Way.

Training programs on biodiversity were also provided in various forms. Firstly, Colas rolled out a biodiversity e-learning module, and the Group also ran a number of Biodiversity Fresk awareness workshops throughout the year. At year-end 2023, more than 180 people in France had attended Biodiversity Fresk workshops. On the topic of carbon, short modules were created on low-carbon concrete and low-carbon asphalt mixes, following on from an initial e-learning course on carbon. A webinar on the new carbon accounting methodology was also made available to employees.

In addition, international sponsorship for external awareness-raising with Kinomé, the ONF and Impactum continued in 2023, bolstered by tree-planting campaigns in France and Côte d'Ivoire. This tree-planting project is designed to make young people more aware of the importance of protecting biodiversity. During the three years of the partnership, 7,000 trees have been planted in France and 15,000 in Côte d'Ivoire, with 600 children taking part. Selected forests are included in programs that support biodiversity and climate change adaptation through careful choice of species. In Canada, Miller will help plant 115,000 trees over the next eight years as part of a government reforestation program designed to build resilience to climate change. Sintra-Est in Canada has also launched a campaign to plant 600 trees following a number of forest fires in the country in 2023.

1.2.2. Taking action to lower the carbon intensity of our direct emissions

One of Colas' targets is to cut our direct CO_2e emissions by 30% by 2030. To achieve this target, Colas is working to reduce its use of fossil fuels (in particular, reducing the energy consumption of asphalt mixing plants by means of operating excellence), improve the energy efficiency of equipment and machinery, make the transition towards lower-carbon energy sources (low-carbon fleet), innovate in new, lower-carbon production procedures (alternative fuels, substitutes for heavy fuel oil) as well as support changes in behavior.

Colas has adopted a variety of measures to better manage its energy consumption:

– **Reducing energy consumption at asphalt mixing plants:**

  – by using telematics to monitor energy consumption and asphalt production temperatures in real time;

  – by lowering asphalt mix production temperatures to achieve CO_2e emissions reductions of between 4% and 45% relative to hot mixes, depending on the type of product selected;

  – by replacing the heavy fuel oil-type combustibles used for asphalt plant burners with natural gas, leading to a reduction in greenhouse gas emissions for an equivalent production level.

- **Reducing fuel consumption for vehicles and machines:**
  - by monitoring consumption via telematics fitted to more than 6,600 machines and 9,800 vehicles to improve the average utilization rate (by a target of 2% per year) and reduce idling rates (the percentage of time an engine is idling). Colas is aiming to equip the entire vehicle and machinery fleet with onboard telematics by the end of 2030 and decrease idling rates to less than 20% for the fleet equipped with telematics;
  - by mobilizing the workforce through training in environmentally friendly practices for drivers (with the potential to reduce fuel consumption by 20%).
- **Transitioning to less carbon-intensive energy sources:**
  - by means of gradual electrification of site machinery, for example use of an electric dredger in Colas France's Southeastern Region, allowing for an 89% reduction in CO_2e emissions;
  - through ongoing investment in low-carbon solutions in general, such as buying electric vans and machinery in France, the United Kingdom and Finland.
- **Decarbonizing electricity consumption:**
  - by purchasing low-carbon electricity;
  - through electricity self-consumption.

Within the Group, the share of low-carbon electricity reached 46% in 2023, relative to 40% in 2022.

Colas' primary achievements in 2023 were as follows:

- installation in several locations in France of tanks of Oleo100, a biodiesel made from 100% French rapeseed, to fuel 700 heavy vehicles;
- use of B100 (pure biodiesel), which accounts for 19% of Colas France's total fuel consumption (road diesel and B100) compared with 3% in 2022, an increase of 5.7%;
- use of HVO (hydrogenated vegetable oil) biofuel made from used cooking oil in Finland, as well as in the United Kingdom and Ireland, where it accounts for 16% and 10%, respectively, of Colas' total consumption (Road Diesel + Off-Road Diesel + HVO); contract signed by Colas' Finnish subsidiary Destia to buy HVO from Neste.

A number of initiatives were also implemented in France in 2023 under the banner of the energy savings plan. Colas France has been a signatory of the EcoWatt and Ecogaz charters since 2022. To implement these initiatives, a network of energy savings officers work together, right down to the most local level in each region, with one person appointed at each profit center. This approach has made it possible to:

- cascade energy-saving starter briefings, opportunities for discussions about specific themes at the start of work, dedicated to different activities (industrial activities, quarrying, construction and offices);
- monitor energy consumption at source.

Indicators	Scope	Unit	2021[1]	2022[1]	2023
Energy consumption from drying per metric ton of mix sold	World	kWh/t	81.9	80.2	81.8
Greenhouse gas emissions from drying at asphalt mixing plants per metric ton of mix sold	World	kCO_2e/t	19.3	18.9	19.6

(1) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.

Energy consumption from drying per metric ton of mix sold varies depending on the following criteria:
- lowering temperatures;
- control over the moisture content of aggregates;
- reduction in consumption (as a result of telematic monitoring).

The increase in this indicator in 2023 was mainly due to more energy-intensive hot asphalt mix production as a result of an 8% fall in asphalt mix sales – chiefly in France, the United States and Canada – making asphalt mixing plants less energy efficient. The slight increase in greenhouse gas emissions per metric ton of asphalt mix sold is due to the increase in industrial activities in countries where production is more carbon intensive (primarily Poland and Australia), while production has decreased in countries where it is less carbon intensive (primarily France, the United States and Canada).

In addition, a number of actions were carried out on the mobile equipment fleet in 2023:

- training in environmentally friendly practices for drivers has been provided in France, particularly in the Northeastern region, as well as in Canada, where a special instructor has been hired for this kind of training;
- in France, the transition of 700 heavy vehicles onto Oleo100;

- in France, a significant increase in use of B100 from 1,700 kiloliters in 2022 to 9,525 kiloliters in 2023;
- gradual electrification of the light-duty vehicle fleet, prioritizing those countries where electricity generation is the least carbon-intensive;
- a ten-year program to replace the vehicle and machinery fleet with more energy-efficient equipment; furthermore, theoretical energy consumption is always taken into account when selecting new equipment for purchase.

Indicators	Scope	Unit	2021[1]	2022[1]	2023
Vehicles with onboard telematics (%)	World	%	30	34	35
Machinery with onboard telematics (%)	World	%	35	35	42

(1) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.

In 2023, the percentage of vehicles and machinery equipped with onboard telematics systems continued to rise, with an overall increase of 8 pts relative to 2022. This demonstrates the desire to improve monitoring and control of fuel consumption using the "My Equipment" digital platform.

Powering sites using renewables

Colas is rolling out renewable energy solutions across its sites. Photovoltaic systems have been installed in France, the United Kingdom, Belgium, Switzerland and Finland, as well as countries such as Croatia, Hungary and the United Arab Emirates. The energy generated is either used directly by the Company itself or fed back into the grid. For example, in Poland and the Czech Republic, additional energy generated by solar panels can be used to heat bitumen tanks, thereby reducing energy consumption. In Belgium, low-carbon electricity is also generated by wind power.

1.2.3. Developing and promoting low-carbon technologies and solutions

If it is to reduce its greenhouse gas emissions, Colas must use low-carbon products and techniques, including in particular those developed through its own focused research and development. Initiatives implemented to offer low-carbon techniques and solutions to customers fall under three main themes:

- reducing the carbon intensity of asphalt mixes, concretes and hydraulic binders;
- increasing the reuse of recycled materials;
- purchasing low-carbon materials (hydraulic binders, concretes, cements, etc.).

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

Reducing the carbon intensity of concretes and hydraulic binders

Colas reduced the carbon intensity of concrete produced in-house by using optimized formulas that lower binder content and promote the use of low-carbon cements, depending on geographical availability and market maturity.

Less carbon-intensive asphalt mixes

Colas has identified a number of actions to reduce the carbon intensity of those internally produced materials that generate the most emissions:

- Using plant-based binders instead of bitumen to reduce the carbon footprint of finished products. Other binders have been developed such as Vegeroad, which is used on the Templeville Road site in Dublin. Techniques similar to Vegeroad are being rolled out, such as ultra-low-carbon asphalt in Canada and SAMIGreen in Australia. Ultra-low-carbon asphalt is more expensive but reduces CO_2e emissions by one quarter thanks to the bituminous binder being partly replaced with a plant-based material.
- Increasing the proportion of lower-temperature mixes and using cold mixes to reduce emissions generated by heating aggregates. For example, Colas France's Western region produced 540,000 metric tons of cold asphalt mix in 2023.
- Reducing the moisture content of inputs to limit drying times and associated energy consumption (e.g. by using storage sheds);
- Incorporating recycled materials, including in particular reclaimed asphalt pavement, into hot and cold mixes, which directly reduces the use of binders, thus lowering the carbon intensity of mixes.
- The rollout in France by the Industry Department and the Technical Department of an asphalt mixes grading scale from A to F according to their CO_2e emissions, calculated using the Seve® eco-comparison tool. The classification will be shown on asphalt mix data sheets, and a digital emission tracking tool is currently being implemented at each asphalt plant.

– As part of its low-carbon strategy, Colas continued with its R&D work on finding and testing solutions to reduce the carbon footprint of its activities. New uses for bio-based binder Vegecol are currently being trialed and work has begun on developing a range of solutions to reduce the carbon footprint of the Group's road surfaces, with several assessments as construction works are carried out. The concept of low carbon emissions has been introduced into Colas' product catalogues in France and Morocco.

Increasing the reuse of recycled materials

The circular economy helps reduce greenhouse gas emissions. In particular, in-place road recycling – which involves removing the asphalt mix from a road, mixing and adding a binder on site then repaving the road with the resulting mix – generates a number of environmental benefits:

– reducing CO_2e emissions by avoiding the need to transport materials to the worksite and by preventing the need to produce new asphalt mixes;

– saving natural resources, notably aggregates, by reusing material removed from the road, which is recycled in place.

The use of Recycol in Gabon in 2023 for the resurfacing of 43 km of road between Nsilé and Bifoun is a good example of materials being reused. Recycol is being used increasingly outside France, such as in Morocco and North America.

Indicators	Scope	Unit	2021[1]	2022[2][3]	2023
Surface area of road recycled in place	World	Mm^2	-	3.5	3.6
Surface area of road recycled in place using emulsion	World	Mm^2	-	2.2	2.7

(1) No data for 2021
(2) Indicator made more reliable following different methodological interpretations depending on the geographic area in 2022 (particularly Canada)
(3) 2022 values have been adjusted following the sale of Branscome in 2023

In 2023, the total surface area of road recycled in place remained stable. However, the proportion of in-place recycling using a bitumen emulsion increased (a technique that offers greater savings in terms of CO_2e emissions) relative to the proportion of in-place recycling using a hydraulic binder.

Buying low-carbon materials

As shown by the breakdown of its carbon footprint into significant sources, goods and services purchased for use in projects and production operations account for 81% of Colas' Scope 3a emissions, representing 68% of its carbon footprint. This is mainly related to purchases of cement, concrete and precast concrete as well as purchases of bitumen. The initial priority is therefore to identify and purchase low-carbon binders and concrete.

This initiative forms part of the Group's commitment under the ACT corporate plan to "Build a responsible supply chain rooted in sustainable performance", overseen by the Purchasing Department. Initial tender processes in France include criteria relating to CO_2e emissions, notably for hydraulic binders and ready-mix concretes[1]. Between 2022 and 2023 in France, on the T3 West tramway site in the Paris region managed by RATP, Colas Rail used low-carbon solutions with the help of its suppliers, in particular to reduce the carbon footprint of concrete used in foundations and between tracks. A total of 829.9 metric tons of CO_2e emissions have been avoided thanks to the use of low-carbon concrete. Efforts were also made to use less carbon-intensive track ties made of recycled steel, resulting in a reduction of 72.6 metric tons of CO_2e.

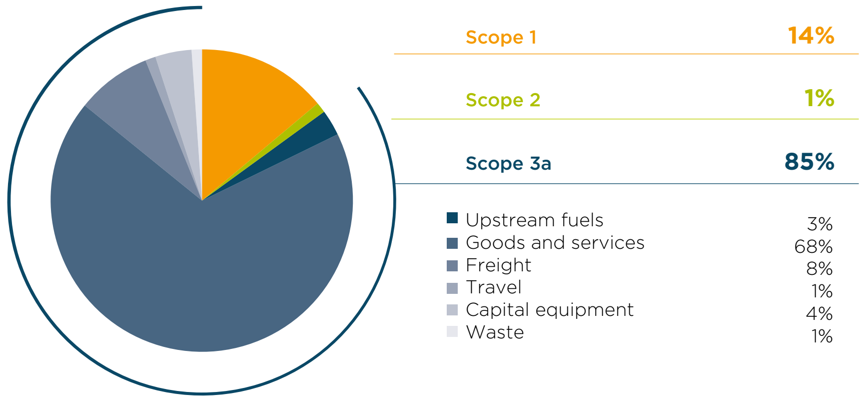
Every year, the Equipment Performance and Purchasing Departments hold a Supplier Day – Construction Equipment Tenders, when Colas challenges its suppliers to reduce their greenhouse gas emissions.

(1) Ready-mix concrete

1.2.4. Optimizing carbon accounting for our operations

In 2023, Colas' carbon footprint was 10.6 $MtCO_2e$, split between the following sources:

Breakdown of Colas' carbon footprint by source



For over ten years, Colas has been calculating the carbon footprint of its operations in accordance with the methodology set out in the GHG Protocol using physical flows linked to Scope 1 and 2 energy consumption. For Scope 3a, in 2022 Colas implemented a new carbon footprint calculation methodology based on physical flows and expenditure data retrieved from the Group's information systems. This new methodology uses a calculation approach that is based on key purchasing categories and can thus be more easily correlated with initiatives to reduce Colas' emissions.

In light of the ENCORD[1] Construction CO_2e Measurement Protocol "Guide to reporting against the Green House Gas Protocol for construction companies", Colas does not publish CO_2e emissions arising from the use of its products, for example in roads and railways (Scope 3b).

Colas has also developed the Colas Carbon Counter to automatically calculate a construction project's carbon footprint both as work progresses and at completion and produce a report for the customer. This tool, based on a data repository filled with recognized and certified domestic and international data, automatically retrieves financial data on project expenditure and combines it with the relevant emission factors. First rolled out to low-carbon profit centers, since 2022 the tool has been available in France, Morocco, Belgium and Switzerland. In 2023, the Colas Carbon Counter came first in the "calculation tools" category at Pollutec, in collaboration with Les Shifters.

Colas has also developed another tool, Colas Carbon Footprint, which gives a real-time picture of the carbon footprint of Group entities on a number of levels. It uses the same methodology as the Colas Carbon Counter, drawing on physical and financial data. The rollout of this tool is accompanied by measures by environment officers and carbon sponsors to raise awareness in order to obtain more reliable physical data.

Indicators	Scope	Unit	2021[1]	2022[1]	2023[3]
Carbon footprint	World	$MtCO_2e$	- [2]	11	10.6
GHG emissions – Scope 1	World	$MtCO_2e$	1.6	1.5	1.5
GHG emissions – Scope 2 – Market-based	World	$MtCO_2e$	0.1	0.1	0.1
GHG emissions – Scope 3a	World	$MtCO_2e$	- [2]	9.5	9.0

(1) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.
(2) The methodology used for counting Scope 3a CO_2e emissions since 2022 is based on physical flows and expenditure data retrieved from Colas' information systems. Historical data stored in these information systems cannot be used to recalculate Scope 3a CO_2e emissions based on the new methodology in 2021.
(3) Destia is included in non-financial reporting in 2023 following its acquisition in 2022.

Direction emissions from stationary combustion sources (Scope 1) held relatively steady in 2023 as a result of growth in activity (notably in DOMOI and Northern Europe and at Continental Bitumen) and increased production of asphalt mix (notably in Australia, Madagascar and Morocco). However, this was offset by using energy from less emissions-intensive sources (chiefly by replacing heavy fuel oils with natural gas and using biofuels (notably in France, DOMOI, Central Europe, Northern Europe and Canada)). Indirect emissions associated with electricity consumption (Scope 2) also remained relatively stable in 2023. Use of low-carbon electricity continued (particularly in France and at Destia, which uses 100% low-carbon electricity).

In 2023, Scope 3a greenhouse gas emissions decreased by 5%. This decrease resulted from the following measures:
- *buying lower-carbon materials (mainly lower-carbon concrete and cements for France);*
- *more reliable input data used in calculations and emissions factors compared with the conservative approach taken in 2022 (main cause);*

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

- calculation and application of emissions factors for the United States/Canada, and possibility of a separate version for each head reporting entity.

1.2.5. Helping our customers and users achieve carbon neutrality and developing technical solutions to reduce emissions

Use of alternative freight methods

Colas reduces its CO_2e emissions from freight by using rail and inland waterways as alternatives to road haulage for its own transportation requirements.

Indicators	Scope	Unit	2021[(1)]	2022[(1)]	2023
Number of metric tons of materials transported by rail and/or waterway	World	Mt	6.6	7.3	7.9
Average number of kilometers traveled by rail	World	km	332	294	305
Average number of kilometers traveled by waterways	World	km	538	533	619

(1) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023 (5% of the indicator).

The number of metric tons of materials transported by rail and/or waterway was up with respect to 2022, thanks to subsidiaries' efforts to improve the reliability and traceability of this data (particularly in France, Northern Europe and Canada). In 2023, the average number of kilometers traveled by rail remained stable, with an average of 300 km travelled. The average number of kilometers traveled by waterways increased slightly, with an average of 600 km travelled in 2023.

Looking into ways of helping to achieve carbon neutrality

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

Colas' first priority is to lower its emissions. However, work is underway to identify how best to contribute to efforts to achieve carbon neutrality, including various carbon capture and sequestration projects for CO_2e in certain countries. Colas' teams in Iceland are keeping a close eye on carbon capture and storage and green hydrogen production projects. In Canada, similar projects are also being considered as a way to decarbonize industrial processes.

Active mobility and municipal services

Colas helps local authorities deliver solutions that work towards sustainable cities. The Group develops alternative low-carbon transportation infrastructure (tramways, cycle paths, etc.) and designs active mobility solutions (connections with public transportation networks, electric vehicle charging networks, shared parking, etc.). Colas also offers developers and local authorities innovative services to optimize urban truck traffic and/or deliveries (Qievo from Mobility by Colas) and dynamic signage solutions that promote safe road use (Flowell).

Urban cool islands

Colas' efforts to develop urban cool islands and paths are described above.

1.2.6 Incorporating priorities related to biodiversity loss into operations

Colas is pursuing a number of initiatives in support of biodiversity as part of its low-carbon and biodiversity roadmap. These initiatives fall into the following four areas:

– working to protect and restore habitats and species;

– combating the spread of invasive alien species;

– responding to the challenges posed by soil sealing and land take;

– developing ecological engineering works.

Working to protect and restore habitats and species

Colas continued the Quarry Biodiversity program for quarries and gravel pits and will extend it to the Group's other stationary activities. This program aims to implement actions that support biodiversity with scientific backing from biodiversity experts, for example ecologists, based on an approach of educating local populations (residents and employees), notably through local partnerships (e.g. working with the ONF to plant trees and with the LPO to monitor specific bird species such as the bank swallow and the eagle owl). Initiatives are then communicated in an accessible way both in-house and externally to raise awareness of biodiversity issues as widely as possible.

For example, in 2023:

- In the United States, a biodiversity toolbox was created to raise awareness and promote the measures taken by Colas to protect biodiversity. These include preserving wetlands, planting trees, encouraging wild flora, beekeeping and creating habitats for flora and fauna.

- In France, ecologists have carried out biodiversity assessments on a number of Colas' industrial sites.

- In Cayenne, French Guiana, the protected habitat for Melipona stingless bees created on a Colas quarry is home to several colonies of bees. The aim is to allow for research in order to understand the role of these bees in the Guianese ecosystem. In addition, as part of the site's expansion, non-profit KWATA has collected the sloths on the site for release into another appropriate environment.

In 2023, the Environment Department carried out work on identifying the impact of Colas' activities (by type of activity) on biodiversity and its dependence on ecosystem services, with the aim of revising existing indicators relating to biodiversity and taking appropriate measures according to the geographical and environmental context of each site.

Indicators	Scope	Unit	2021(2)(3)	2022(2)(3)	2023(3)
Percentage of CAE(1) from aggregate production activities taking action to promote biodiversity	World	%	44	28	41
Percentage of CAE(1) from materials production activities taking action to promote biodiversity(4)	World	%	9	6	20

(1) CAE (chiffre d'activité économique) = Revenue + Intra-Group transactions and disposals.
(2) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.
(3) "Workshop" and "Laboratory" activities have been removed from the CeS@R reporting tool (still tracked in ECHO) and data collection was automated in 2023. Consequently, 2021 and 2022 data has been recalculated.
(4) Indicator created in 2023, historical data has been calculated based existing information.

In 2023, the percentage of CAE from aggregate production activities taking action to promote biodiversity increased sharply as a result of initiatives in the low-carbon and biodiversity roadmap.

In 2023, the indicator "Percentage of CAE from aggregate production activities taking action to promote biodiversity" was expanded to include materials production activities in order to pick up actions promoting biodiversity across all stationary sites.

Combating the spread of invasive alien species

Colas can unintentionally propagate invasive alien species on its sites and construction projects. In response to this issue, the Group has carried out inventory and monitoring work and delivered employee training. The literature is monitored for new techniques in relation to combating invasive species.

Treatment trials have begun for some invasive species. Since 2022, the Environment Department has been running a trial in Colas France's Île-de-France Normandy region with a partner, Aquabio, using mild methods to eradicate invasive alien species. Target species at the Triel-sur-Seine site include Japanese knotweed, datura, ragwort and pokeweed. An invasive species assessment was carried out in 2023. To raise employees' awareness about the risks associated with the spread of these species, Colas handed out fliers setting out measures to manage populations of each species. In addition, the Environment Department conducted trials into re-planting sites invaded by invasive species in collaboration with nurseries accredited as growers of local plants in the Ile-de-France region under the "Végétal local" scheme.

Responding to the challenges posed by soil sealing and land take

Colas develops and promotes techniques for renaturing land and alternative techniques (creating landscaped swales and infiltration basins and using Urbalith surfacing or drainage solutions).

Developing ecological engineering works

Ecological engineering encompasses all techniques and projects aimed at making ecosystems more resilient and protecting biodiversity. Colas capitalizes on its expertise (in earthworks, development, hydraulic engineering, demolition, decontamination, etc.) and is developing its ecological engineering expertise alongside local businesses that specialize in the field. Ecological engineering projects can be aimed at renaturing and restoring watercourses (re-meandering, creating riverbanks, placing rockfill and removing sills, box culverts and footbridges) or restoring ecological continuity (by creating corridors, green and blue belts, wildlife crossings, etc.). Colas is a member of the Union Professionnelle du Génie Écologique (UPGE), a federation of ecological engineering firms and has played an active role in its work.

Examples of achievements in France in 2023 include the following:

– the creation in Lamure-sur-Azergues of a fish pass with micro and macro-roughness on the Azergues river, near the Rhone;

– restoration of the Rothbach stream in Mulhausen, Alsace;

– restoration of the ecological continuum of the Lieure river at Château de Rosay-sur-Lieure in Normandy.

The practice of ecological engineering is growing primarily in France but also beginning to establish itself in other countries. For example, in Czech Republic, an ecological engineering project has been launched as part of the natural restoration of the Černý Potok ("black stream") in the Šumava mountains.

1.3 Promoting circular economy solutions to preserve natural resources

In 2018 , the construction sector was responsible for 70% of the 342 million metric tons of waste produced in France. Colas has identified four key actions to address this issue, grouped together under its commitment "Promoting circular economy solutions to preserve natural resources":

– rising to the challenges of the circular economy across the Group;

– investing in R&D and local partnerships to recycle materials;

– developing and promoting the use of recycling platforms;

– offering customers circular economy solutions.

This commitment applies to all Colas' activities, from materials production and industrial activities to on-site construction work, and is highly dependent on the local context. Its oversight is therefore mostly decentralized, supported by strategies defined locally in response to local challenges.

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

Aware of the importance of the circular economy for its industry, Colas intends to encourage its employees to change their behavior on an individual, collective and professional level. To this end, the Group relies on training and awareness-raising. Measures have also been taken in everyday activities on a local level.
Since 2021, Colas has been involved alongside the Bouygues Group in the Global Circular Economy Chair at the ESSEC business school. The purpose of this chair, the first international chair dedicated to the circular economy, is to train future Chief Circular Officers who will help organizations transition to a circular economy model. Through this partnership, Colas is working to encourage research into solutions that can be operationally implemented across its business, notably by providing case studies for students and taking part in student training. In 2023, a group of students helped develop an Ecotri platform for sorting and recycling demolition waste at Quebec subsidiary Sintra.

Under the aegis of this Chair, Colas kicked off three key actions in 2023:

– proposing a case study on setting up an Ecotri platform in Canada;

– creation of the circular economy chair in Rabat, where case studies on the reconditioning of site machinery have been proposed to students;

– participation in the "Introducing a circular economy within organizations" MOOC on Coursera.

The Group pays particular attention to training its senior executives, who will then be able to pass on circular economy best practices to their teams. In 2022, at the Colas in Motion conference, 700 Colas senior executives attended a circular economy masterclass hosted by Circular, a consulting firm with expertise in the field. The goal was to promote a better understanding of the economic, social and environmental impact of a circular economy approach in the construction sector and to encourage action in this area. At the end of 2023, Colas launched a Group-wide Colas Share circular economy site during European Week for Waste Reduction to raise awareness among all employees about circular economy principles. This Colas Share site contains outreach tools, information about the circular economy and examples of circular solutions adopted within the Group.

1.3.2. Investing in R&D and local partnerships to recycle materials

The circular economy has always been a core area of research and development at Colas. Colas' Core Center, the world's leading private R&D center for roads, provides technical support and high-level expertise to Colas' subsidiaries, develops products and processes, and integrates mobility solutions into infrastructure projects. The center's main focus in terms of the circular economy is on in-place recycling of road surfaces, recycling of asphalt mix, the use of alternative materials, research into additives and binders based on industrial co-products and by-products, and bio-based bitumen replacement materials, such as oils and plant resins.

Colas is working to incorporate eco-design principles into its future projects: in 2022, the Core Center identified tools to be incorporated into its project management process to take into account CSR issues and ensure an ecologically friendly approach to design. This approach was revised in 2023 and will be used for all future research projects so as to reduce the environmental impact of products throughout their lifecycle (from extraction of raw materials through to production, distribution, use and end of life).

In the circular economy field, adopting a partnership-based approach is key. Colas enters into academic partnerships with other research centers, usually with a technical focus. For example, Colas France has for many years partnered with the ECOSED research chair at the IMT Mines engineering school in Douai, focusing on the recovery of marine sediments. This research and development work has produced tangible results: for instance, 36,000 metric tons of marine sediment dredged from the port was reused on the Flanders Quay construction site at the Port of Dunkirk.

Many local partnerships have also been formed with manufacturers and suppliers to reuse their waste products in road construction. The approach adopted is one of industrial and territorial ecology (ITE), where industrial waste becomes a raw material for use by Colas. For example:

- Colas France's Limoges profit center has developed asphalt mixes that reuse porcelain waste.
- The Group's Canadian subsidiary Sintra worked on a pilot project in Victoriaville to create a bituminous asphalt mix made partly from post-consumer soft plastics. In the initial trial, more than 200 kg of plastic was reused in 20 metric tons of bitumen.

Colas hopes to encourage collaborative information by working hand in hand with innovative circular economy startups specializing in construction and public works, focusing on innovative product ideas. If trials are conclusive, partnerships are formed. One example that has attracted the Group's attention is SubsTer®, a solution developed by Microhumus. This process is used to turn quarry waste into alternative topsoil with higher added value.

Colas strives to use innovative materials developed by other companies and obtained from reusing products. In Finland, the Group is using an artificial stone product called Fortum Gravo in a pilot project in Kalasatama, near Helsinki. Made from slag obtained from waste incineration, this material reduces the need for real stones and carbon emissions associated with constructing urban environments.

1.3.3. Developing and promoting the use of recycling platforms

Colas recovers and recycles, at more than 800 recycling facilities, demolition waste and materials from its infrastructure sites across the world as well as waste from other industries. By reusing these recycled materials as secondary raw materials in its construction projects, Colas helps to preserve natural resources and to limit the need to open up new quarries and the amount of site waste that needs to be disposed of.

The need for dense geographical coverage is one of the key challenges posed by the circular economy: being close to both consumers and materials to be recycled is essential. Colas is developing recycling platforms and multi-activity platforms (quarrying, recycling, etc.) and has several hundred stationary and mobile recycling facilities around the world.

In 2023, the Colas Group recycled 11.2 million metric tons of materials via its platforms – equivalent to the output of 45 medium-sized quarries.

Two examples epitomize this Group-wide approach:

- In France, Colas is working with subsidiary Premys on extending the possibilities offered by the circular economy by developing dismantling procedures to recover input material at the start of dismantling works.
- In the Ile-de-France Normandy region, Colas has stepped up its recycling and sorting capacity for commercial users through its subsidiary Tersen and a network of around 40 local recycling facilities, all of which help process recyclable materials for subsequent reuse in its construction projects.

Since 2022, Colas France has offered two new service ranges based on its network of 160 sorting and recycling platforms: Ecotri and Valormat. These services are aimed at the platforms' various customer segments, ranging from small-scale traders to large construction firms. On average, these external customers account for 70% of the Group's customer base in the materials industry. Between now and 2026, the Group aims to achieve a 50% increase in the volume of materials recycled through this network, which is currently being rolled out. Projects to develop recycling and sorting platforms are also underway in other countries to supplement and boost coverage and expand recovery efforts.

In France, to take its policy of reusing materials even further, Colas acquired a stake in Ecominéro in 2021. This eco-organization was established by operators in the industrial minerals sector to help producers with their EPR obligations in respect of "Construction sector products and materials". Écominéro enables holders of inert waste to dispose of sorted waste at no cost. Its goal is to achieve a waste recycling rate of 90% by 2028.

Colas is also expanding in the field of digital platforms. Colas France's demolition subsidiary Premys has put in place a digital platform that promotes reuse by facilitating the resale of demolition materials to give them a second life. Alongside Bouygues Construction, Premys is also involved in Cynéo, a subsidiary designed to scale up the reuse of construction materials and promote development of the circular economy in France. The first Cynéo technical center was set up in 2023. The Cynéo network will be rolled out gradually across France in order to encourage reuse, raise awareness and get companies, local authorities and local associations to take action. Its digital platform will pool existing tools to promote the reuse of materials.

1.3.4. Offering our customers circular economy solutions

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

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

Drawing on environmentally friendly alternatives to offer solutions that extend the service life of roads or preserve resources

Colas offers solutions aligned with circular economy principles, for example to extend the service life of roads and reuse materials recovered from infrastructure in roads. The Group's sales and design office staff are trained in these techniques. These are then included in bids, in particular as environmentally friendly alternatives.

Limiting and managing the amount of waste generated by each worksite

Limiting the amount of waste generated by each worksite and seeking solutions for reusing waste has both economic and environmental benefits and is consistent with a circular economy approach. Colas offers solutions aligned with this approach at both the design and project delivery stages.

A significant proportion of demolition waste is recycled in the normal course of Colas' operations. These activities may be achieved by recovering materials from demolished infrastructure (concrete, asphalt mix, etc.), but also by reusing waste or by-products from other domains: incineration clinker, blast furnace slag, plastic waste, refinery bitumen, debris, etc.

Colas also has measures in place for certain specific types of waste. To manage and promote the reuse of excavated earth, Colas France has developed BlaBlaMat, a system for managing and exchanging earth between sites.

Offering solutions for recovering and recycling materials

Colas is committed to offering recovery solutions at its industrial sites and construction sites. The Group is researching different materials with the Core Center.

Collecting reclaimed asphalt pavement and using it in asphalt mixes contributes both to the Group's low-carbon commitment and to its circular economy commitment. When renewing industrial facilities, Colas thus designs installations to facilitate and develop the recycling of asphalt pavement. The recent plants at Bonneville in Haute-Savoie and LEB in eastern France can produce asphalt mixes containing up to 70% reclaimed asphalt pavement.

On average, 18.7% of reclaimed asphalt pavement was reintroduced into hot and cold mixes sold by the Group in 2023, resulting in the reuse of almost 260,000 metric tons of bitumen – equivalent to the bitumen output of a medium-sized refinery. However, with local regulations sometimes limiting recycling opportunities, this solution is being developing differently from country to country. Conversely, the situation is more favorable in some local environments, with countries in the EMEA region such as Denmark and Belgium achieving rates of over 29% and 27%, respectively.

For its road operations, Colas develops and implements solutions via its local profit centers for reusing production waste and waste from local operations. One example is the Colstab Ostrea technique, developed with the Sète (France) profit center in partnership with local authorities, which recycles oyster shells crushed into stabilized sand for pedestrian and cycle routes. Colas is also working on techniques for including new materials in bitumen and using lower temperatures. For example, rubber powder is now frequently used as a bitumen additive in the Middle East, Chile, South Africa and Hungary.

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

Indicators	Scope	Unit	2021(3)	2022(3)	2023
Quantity of materials recycled(1)	World	Mt	-(2)	10.3	11.2
Reclaimed asphalt pavement used in hot and cold mixes sold (%)	World	%	16.4	17.8	18.7

(1) Sum of aggregates recycled (by screening, crushing or other treatment) and the amount of reclaimed asphalt pavement used.
(2) Values for 2021 cannot be recalculated using the 2022 definition of this indicator.
(3) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023 (5% of the indicator) and discrepancies identified post-publication for 2022 (United States, Canada).

The increase in the quantity of recycled materials in 2023 is due to the rise in recycling (particularly in France, Canada and Western Europe) despite the decline in the materials and asphalt mixes market.

The percentage of reclaimed asphalt pavement used in hot and cold mixes increased by 1 percentage point in 2023 because the quantity of reclaimed asphalt pavement used remained stable while total asphalt mix production decreased 8%. This reflects improvements in the management of reclaimed asphalt pavement, in particular in Western Europe (29%), Northern Europe (24%), France and the USA (23%).

1.4. Reducing the impact of our activities to bolster acceptability

Colas' activities are firmly rooted in the regions and local areas where the Group operates. Local residents, users and customers all expect us to minimize the impact of these activities. Colas implements measures to limit environmental and other impacts associated with its materials production, construction and worksite activities.

As part of its ACT corporate plan, Colas has drawn up an impact and acceptability roadmap for its activities. This roadmap aims to better integrate Colas' activities at the local level. This is based on two priorities:

– reducing the impact of operations (water, soil, air, odors, dust, waste, noise and vibrations);

– improving the social acceptance of our facilities and worksites.

This commitment is overseen by the Environment Department. It is also promoted within entities by the Environment network, which helps operational staff implement initiatives. This network, set up more than 20 years ago, has gained expertise in various environmental issues. Beyond environmental management, and associated regulations and standards, the network advises operational staff on choosing the best solutions and putting them into practice. Members of the Environment network connect several times a year to monitor progress, move forward with the roadmap and share issues and best practice from across the Group.

1.4.1. Reducing the impact of operations (water, soil, air, odors, dust, waste, noise and vibrations)

Environmental policy

In 2022, Colas implemented an Environment Charter that reiterates the Group's aims and objectives for reducing the impact of its activities. This charter sets out three principles for action:

– reducing the environmental impact;

– reducing greenhouse gas emissions from our activities;

– protecting the environment and species at each site.

The Environment Charter was shared with Colas' senior executives at Colas in Motion, the Group's CSR conference, in May 2022. Environment officers use ACT roadmaps to help entities put the charter into practice at the operational level. In 2023, the overhaul of Colas Share Environment provided the opportunity to remind employees of the three principles for action, as well as the Group's objectives and associated roadmaps.

To reduce the environmental impact of its operations, Colas uses the following processes and tools:

Environmental checklists: in use internationally for over 20 years, these checklists enable stationary sites to self-assess their environmental management. They are available online via the ECHO app, which serves to centralize all information captured. In 2023, the features available on ECHO were used to improve the content of environment checklists. They now focus on current concerns such as energy management, biodiversity and water stress. The environmental checklist is mandatory for all stationary sites and helps manage impacts where a site is not environmentally certified. In 2023, 81%[1] of sites were assessed using the environmental checklist. The target is for all stationary sites to be using the checklist to undertake self-assessments by 2030.

Environmental standards: in 2023, with the support of ECHO, Colas identified the key self-assessment requirements to be prioritized for each business activity. The Group monitors sites' compliance with these standards in order to improve environmental risk management (with environment checklists). The rate of compliance with environmental standards in 2023 was 78%.

Environmental certifications: some Colas sites and construction projects are certified ISO 14001, UNICEM charter, EMAS, or NAPA Diamond. They use various environmental management tools such as environmental analyses, dashboards and preventive action plans. 93% of CAE (chiffre d'activité économique) from Colas' industrial sites are covered by at least one of the following two measures: environmental certification or self-assessment via ECHO.

Assessment tools: Colas takes into account environmental issues of its products and services. This entails, in particular, offering environmentally friendly alternatives (mainly with the help of the Seve® software). An English language version of Seve® was developed by trade body Routes de France and is currently being used by Colas UK to promote alternative solutions to its customers. For example, on an asphalt paving project on the A41 in CWAC in the United Kingdom, Seve® calculated that using the Recycol in-place road recycling process reduced the amount of CO_2e emissions by 57% compared with the conventional solution.

(1) Number of checklists performed / number of active checklists. The same site can have more than one checklist.

Internal audits: alongside these various tools, inter-subsidiary internal cross-audits are carried out in Belgium, Mainland France and Switzerland by specially trained internal auditors. This approach ensures that sites and construction projects are evaluated and provides opportunities to strengthen environmental risk prevention measures and share best practice among subsidiaries. It is in the process of being rolled out internationally. An initial rollout took place in Canada, with a network of around 20 auditors trained and ten or so cross-audits undertaken across all the Group's Canadian subsidiaries. Thanks to the success of this pilot, this audit approach will be rolled out to other Colas geographies (USA, Europe and DOMOI).

Indicators	Scope	Unit	2021(2)(3)	2022(2)(3)	2023(3)
Percentage of CAE(1) from materials production activities managing their environmental impacts (certification and/or Colas environmental checklist)	Materials activities (World)	%	86	80	93
Compliance with environment checklist standards	Materials activities (World)	%	-	-	78

(1) CAE (chiffre d'activité économique) = Revenue + Intra-Group transactions and disposals.
(2) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.
(3) "Workshop" and "Laboratory" activities have been removed from the CeS@R reporting tool (still tracked in ECHO) and data collection was automated in 2023. Consequently, 2021 and 2022 data has been recalculated.

In 2023, the percentage of materials activities managing their environmental impacts was up significantly, thanks to improved environmental management with nearly 300 additional environmental checklists (ECHO).

The compliance with environment checklist standards indicator was introduced in 2023 to monitor progress made by all materials production sites in meeting environmental standards.

Environmental training and awareness

To implement these tools and processes and improve environmental management at Colas sites, Colas raises awareness among employees and trains them in environmental protection. This involves a range of actions:

Colas Share Environment: Colas has created an organized sharing platform where the Group's business lines can share their expertise and experience. A dedicated Environment community ensures that information, feedback and tools are accessible to all employees. The Colas Share Environment was made more user-friendly and informative following a complete overhaul in 2023.

Themed factsheets: Colas makes available on Colas Share around 50 themed factsheets drawn up by experts from the Environment network and other areas relevant to the subject in question. Topics covered include, for example, water and dust management and odor treatment techniques.

Group training (Uni1, e-learning): The Environment Department also delivers training in environmental issues, for example through the Environment e-learning course, which addresses specific issues for Colas, in particular soil and water pollution, waste management and acceptability. Two modules covering climate issues and biodiversity are also available for employees and were supplemented in 2023 by two new submodules: low-carbon concretes and low-carbon asphalt. The Environment Department also participates in Colas University 1 courses, where it presents the roadmap for reducing environmental impacts and makes young employees aware of the importance of protecting the environment and ensuring the Group's activities meet acceptability standards. As of end-2023, more than 2,900 employees had completed the environmental e-learning course, 800 had completed the climate issues module, 650 had completed the biodiversity module, and 330 had completed the low-carbon concrete module.

Environment Day on "Preserving water resources": in 2023, Colas dedicated its third Environment Day to the issue of water resources, focusing on three main topics: water pollution, plastics and microplastics in the oceans, and water stress. Employees were provided with communications kits and materials to help them understand these current and pressing concerns;

Upskilling (experts) (EOCE, ISO 14001, audits): The Environment Department also has a goal of upskilling its experts. Colas trains members of its network through in-house training on subjects such as environmental audit and ISO 14001 certification. In 2023, Colas relaunched its EOCE skills development program for its environment correspondents. The program is based on collective intelligence and participants sharing their experiences. The aim is to work on issues of high importance for the Company and capitalize on its network. To date, 32 environment correspondents have taken part in the program to improve their understanding of environmental issues.

Reducing our environmental impact

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

– discharges and emissions;

– management of liquid products liable to cause soil and/or water pollution;

– nuisances: odors, noise and dust;

– water management and water stress;

– waste.

Airborne discharges
Managing discharges and emissions as a result of Colas' activities is a strategic priority for the Group. These discharges can cause air pollution. Such discharges are mainly linked to industrial activities at some stationary sites. Environmental checklists are used to make sure such discharges are properly managed (discharge monitoring, analyses, treatment, etc.). A range of initiatives is in place to ensure that this is the case at stationary sites and construction sites: asphalt mixing plants can lower their production temperatures and optimize filter and burner maintenance, and construction site equipment can be fitted with fume and dust extraction systems.

For example, in 2023, 93% of asphalt mixing plants regulated and conducted annual maintenance of the burners on their asphalt dryers and 79% of asphalt mixing plants undertook the annual measurement of airborne discharges via the flue (based on data from environmental checklists).

Indicators	Scope	Unit	2021[1]	2022[1]	2023
Finishers equipped with a bitumen fume extraction system (%)	World	%	70	80	79
Asphalt planers equipped with a dust extraction system (%)	World	%	64	67	63

(1) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.

The percentage of finishers and asphalt planers equipped with an extraction system decreased slightly in 2023, mainly because of the change in the data collection process. Installation rates are rising as equipment is replaced: the purchase specifications for finishers and asphalt planers require them to be fitted with such systems.

Managing liquid products liable to cause soil and/or water pollution
Liquid products are often stored and used at stationary sites and on worksites and may be liable to cause soil and/or water pollution. Special care is taken when storing such products. The environmental checklist, which applies to all stationary sites, sets out the requirements for storing such products: retention, product compatibility, container and contents suitability, tank management rule, etc.

Colas Group sites also need to control their chronic and accidental waterborne discharges in order to avoid pollution. These requirements relate to compliance with the storage rules mentioned above and to sealing sensitive areas of sites, collecting effluent and directing it to treatment points, installing retention and sludge separation facilities equipped with closing systems, installing sealing systems to isolate sites in the event of a spillage, and ensuring the presence of anti-pollution kits.

In 2023, Colas' stationary sites – such as asphalt mixing plants, extraction activities, ready-mix concrete plants, emulsion plants and bitumen depots – were assessed using environment checklists on these topics. The results show the following rates of compliance with the required standards:

– development and storage – 84%;

– control of waterborne discharges (chronic) – 69%;

– presence of a system for isolating the site from the external environment (rainwater network, watercourse, neighboring land, etc.) in the event of accidental spills – 47%;

– presence of anti-pollution kits – 89%.

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

A number of actions have been taken concerning the following issues:

– **Odors:** For the past several years, odor treatment systems have been installed on sites liable to generate pollution affecting residents due to their asphalt binder production activities (coal filters, reduced storage and production temperatures, etc.). Work has been done on measuring how efficiently these odors are treated and tools are in place for receiving requests or complaints from local residents. The aim is for this to be correlated with potential sources of disturbances in order to better understand and reduce the impact. At the same time, work is ongoing to identify additives to reduce pollution and a benchmarking exercise was undertaken to identify other odor treatment solutions. A themed information sheet is also available listing steps to be taken to limit the impact of odors on sites. As an illustration, in 2023, the Colas Út site in Dunaharaszti, Budapest, was equipped to limit disruption to the neighboring town, with extensive works on the chimney, drum and truck loading dock.

– **Noise:** Solutions for reducing noise on worksites are presented in a themed information sheet covering steps to be taken to reduce environmental impacts. Examples include adjusting working periods, installing idle cut-offs on machinery, using equipment fitted with noise shields or cladding on crushing equipment in quarries, and switching from audible systems to visual display systems for truck loading.

- **Dust:** Solutions are in place to reduce emissions and the spread of dust around sites (sprays, sprinkler system, mists, dust removal system, green walls, windshields, etc.).

- **Traffic/accessibility:** Construction work can give rise to additional disruption affecting residents, particularly in built-up areas, such as road traffic congestion. To limit this disruption, Colas uses solutions to encourage use of pedestrian walkways and alleviate road traffic such as pedestrian signage, access ramps, signage for cyclists and temporary speed bumps. It also aims to take the surrounding area into consideration during construction works, for example with access passes, accessibility signage, site observatories, school visits to the site and presentations at schools.

Water management in areas facing high water stress
Water consumption is more important in some parts of the world than in others. Colas analyzes and takes into account local water constraints in every region in which the Group operates. Water management is one of the criteria analyzed by the environmental checklists, pursuant to applicable regulations.

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

The methodology used to assess the Colas operating regions concerned is based on the interactive Overall Water Risk – Baseline Water Stress map published on the website of the World Resources Institute.

In 2023, water consumption at stationary Colas facilities in areas facing extremely high water stress is estimated to have been nearly 900,000 cubic meters.

Indicators	Scope	Unit	2021[(2)(3)]	2022[(2)(3)]	2023[(3)]
Percentage of CAE[(1)] from stationary activities located in areas facing extremely high water stress	Stationary activities (World)	%	6	10	6[(4)]
Water self-sufficiency rate of areas facing extremely high water stress	Stationary activities (World)	%	95	94	93
Percentage of CAE[(1)] generated by activities in areas facing extremely high water stress covered by an action plan	Stationary activities (World)	%	56	64	41[(4)(5)]

(1) CAE (chiffre d'activité économique) = Revenue + Intra-Group transactions and disposals.
(2) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.
(3) "Workshop" and "Laboratory" activities have been removed from the CeS@R reporting tool (still tracked in ECHO) and CAE data collection was automated in 2023. Consequently, 2021 and 2022 data has been recalculated.
(4) Indicator included in the ECHO environmental management tool in 2023
(5) In contrast to 2022, an action plan can only be declared for areas facing extremely high water stress in 2023.

In 2023, the percentage of CAE from stationary activities located in areas facing extremely high water stress was integrated directly into the environmental checklists (ECHO) and more effectively collected (better understanding of water issues).

The water self-sufficiency rate of areas facing extremely high water stress was relatively stable. Colas measured the water consumption of its stationary activities in areas facing extremely high water stress to monitor the impact of its facilities on these areas and the action plans in place.

Waste
Waste generated by Colas' activities includes:

- inert waste, mostly from the demolition of roadways and buildings (demolition debris, excavation material, concrete, tiles and bricks, uncontaminated land, etc.);

- non-hazardous non-inert waste such as metals, wood, paper/card, plastic and glass;

- hazardous waste, in particular from chemicals used such as grease cartridges, aerosol cans, engine oil, paint pots, soiled materials and packaging (cloths, drums, etc.), waste electrical and electronic equipment, hydrocarbon separator sludge and contaminated soil.

Environmental management systems and internal environmental checklists are used to ensure that such waste is managed responsibly. Themed information sheets are also provided covering the management of both inert waste and non-hazardous non-inert waste.

A significant proportion of demolition waste is recycled in the normal course of Colas' operations. These activities may be achieved by recovering materials from demolished infrastructure (concrete, asphalt mix, etc.), but also by reusing waste or by-products from other domains: incineration clinker, blast furnace slag, plastic waste, refinery bitumen, debris, etc.

Indicators	Scope	Unit	2021	2022[(3)(4)]	2023[(4)]
Percentage of CAE[(1)] from materials production activities with a waste management system in place	Materials activities (World)	%	- [(2)]	55	66

(1) CAE (chiffre d'activité économique) = Revenue + Intra-Group transactions and disposals.
(2) This indicator was created in 2022, so no data is available for 2021.
(3) 2022 values have been adjusted following the sale of Branscome in 2023.
(4) "Workshop" and "Laboratory" activities have been removed from the CeS@R reporting tool (still tracked in ECHO) and CAE data collection was automated in 2023. Consequently, 2022 data has been recalculated.

Colas materials production sites are considered to have a waste management system if the following are in place:
- *a register of on-site waste for checking compliance of waste treatment or elimination processes and ensuring traceability through to final disposal (destruction or recycling);*
- *a clean waste collection area;*
- *labelled waste sorting containers;*
- *hazardous waste correctly separated from non-hazardous waste.*

All of the above are specified in the environmental checklist (ECHO) and must be checked annually at Colas materials production sites.

In 2023, the percentage of materials activities with waste management systems was up significantly, demonstrating the issue's integration into the internal processes of the Group's activities and improved environmental waste management at our stationary sites.

1.4.2. Improving the social acceptance of our facilities and worksites

Social acceptance is key to the long-term viability of Colas' business and goes hand in hand with environmental excellence. That being the case, Colas has incorporated two specific areas of focus into its roadmap: fostering local dialogue, particularly with residents living in close proximity to sites, and maximizing and highlighting socioeconomic benefits to promote acceptance of the Group's activities at the regional level.

Improving local acceptability through local dialogue and dedicated tools in the immediate vicinity of sites

Securing acceptance of production sites and worksites by local residents is a key priority for the Group. Colas therefore takes action to foster local dialogue in the vicinity of its sites and construction projects.

Regular local dialogue: maintaining a regular, open dialogue with neighboring communities and local authorities makes it possible to better understand their expectations, explain the reality and constraints of production sites and worksites, and promote mutual understanding to prevent crisis situations. This local dialogue can take the form of open days, briefings and communications about activities and initiatives to improve construction sites.

Local dialogue training: to respond to local challenges and improve the acceptability of its activities, Colas trains its worksite managers and superintendents in local dialogue. Since they are in direct contact with local residents and users, it is essential that they receive appropriate training in this area. This training promotes ownership of this complex issue on the ground and ensures that each response is tailored to each local context.

In 2023, Colas France's Northeastern region worked on a methodology for assessing measures taken on sites to reduce their impact and improve their acceptability, with the aim of identifying exemplary construction sites with a view to obtaining "low impact construction site" accreditation. The best practices identified within this framework will also be used to add to the catalogue of solutions already created in 2022.

Assessing and anticipating complaints: for the past few years, Colas has put in place tools for assessing and reducing potential nuisances, including for example complaint registers, notices on worksites, and websites for gathering complaints and analyzing when they occur in relation to hours of operation.

Communication with local residents: Colas has recently introduced mobile apps such as Hello Travaux to facilitate communication between local residents and employees in the field. The Hello Travaux professional social network enables real-time communication with local residents affected by nearby worksites. The app is updated weekly with works-related information (road closures, diversions, etc.) and users can ask questions and raise concerns. Since late 2019, this app has been rolled out to more than 250 construction sites in France as well as sites in Morocco, Switzerland and the United Kingdom. Other initiatives pursued by business units include "observation zones" created by Colas France's Cotaz profit center together with explanatory signs giving details of projects and their benefits.

Indicators	Scope	Unit	2021[2][3]	2022[3]	2023[3]
Percentage of CAE[1] from materials production activities with an organization for local dialogue	Materials activities (World)	%	41	29	46

(1) CAE (chiffre d'activité économique) = Revenue + Intra-Group transactions and disposals.
(2) 2021 and 2022 values have been adjusted following the sale of Branscome in 2023.
(3) "Workshop" and "Laboratory" activities have been removed from the CeS@R reporting tool (still tracked in ECHO) and CAE data collection was automated in 2023. Consequently, 2021 and 2022 data has been recalculated.

In 2023, the percentage of CAE for materials production activities taking action to promote local dialogue was up significantly, thanks to better understanding of the ECHO environmental management tool (awareness-raising activities led by the Environment Department) and higher rates of filled-out checklists

Maximizing the socioeconomic impact of the Group's activities

Beyond engaging in local dialogue and working to reduce disruption in the immediate vicinity of construction sites, fostering acceptance of the Group's activities means maximizing and highlighting the local socioeconomic benefits of Colas' activities.

Colas' construction projects and industrial sites help develop and maintain employment and have a social and environmental impact at the local level: the Group's businesses around the world mainly use local labor and subcontractors. For example, in Canada, subsidiaries Sintra, Miller and NPA are involved in the Progressive Aboriginal Relations (PAR) program and are committed to investing in the development and growth of the First Nations economy as well as making progress towards "Truth and Reconciliation" with indigenous Canadian peoples (First Nations, Métis, Inuit). Local partnerships with First Nations communities, in place for a number of years, promote road construction training, offer jobs working on local construction projects and create business opportunities for indigenous suppliers and subcontractors. In designing and delivering construction projects, the Major Projects Division is committed to adding value to local economies. For example, on the Luxembourg airport project, 80% of supplies were sourced from Luxembourg-based suppliers and all materials were sourced from within 15 km of the site.

To calculate and maximize the socioeconomic benefits of Colas' activities, our teams use specific tools: in the United Kingdom, the Social Value Portal and the TOMS methodology are used to calculate the social value created during a project's construction phase, in keeping with UK legislation. If customers wish, Colas UK can thus incorporate social value targets into its contracts: local employment, apprenticeships, inclusion for underprivileged groups, charitable commitments, use of local suppliers, etc. The GTOI subsidiary on Reunion Island uses the BIOM methodology to calculate the local economic benefits of a company's activities.

1.5. Attracting, developing and retaining employees through managerial excellence

At December 31, 2023, Colas had 64,685 employees in more than 50 countries, spanning a wide variety of profiles, jobs and skill sets.

Indicators	Scope	Unit	2021	2022	2023
Workforce by geographic location[1]	World	Number	55,411	57,607	64,685
Total France (Mainland + Overseas)		Number	29,105	29,315	29,514
Europe		Number	9,729	11,595	12,606
Indian Ocean/Africa/Middle East		Number	7,318	7,111	7,809
North America		Number	7,932	8,396	13,424
Asia-Pacific (including New Caledonia)		Number	769	823	941
Central America/South America		Number	558	367	391
Total International		Number	26,306	28,292	35,171

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

The 12.3% overall increase in the number of employees takes account of an adjustment in how employees are counted in North America, and now includes seasonal workers even if they are not actively working, in preparation for the headcount reporting requirements of future regulations such as the CSRD. On a constant calculation basis, the net increase came to 1.5%, driven by DOMOI, Germany and the Czech Republic.

Colas' two top priorities with regard to corporate social responsibility are as follows:

- attracting up-and-coming talent reflecting the diversity of our society (cultural diversity, diverse ethnic origin, age, gender, etc.);
- ensuring the health, safety and well-being of all employees.

The Group also aims to create an inclusive work environment where everyone is respected and valued for their contribution. The goal is for each and every employee to achieve their full potential throughout their career.

To meet these challenges, Colas draws on management excellence and implements its human resources policy across all the regions in which it operates, with a focus on the following three strategic priorities:

- attracting and integrating talent;
- developing employees' potential;
- creating a high-quality work environment.

The Group's Human Resources Department has adopted a matrix-based organizational structure with a corporate unit at headquarters performing various functions for the Group worldwide (recruitment, skills development, training, talent management, compensation and benefits, etc.). In addition to this corporate organizational structure, there are five operational Human Resources Departments covering all regions and subsidiaries.

Colas' human resources policy is set out formally in the Human Resources Guiding Principles Standards (HRGPS) made available to HR teams. For each policy, the corporate teams set out the broad strategic direction, coordinate the network of HR managers and make available a range of tools and processes. Each country identifies its own goals and draws up its own action plans in keeping with its local context. The HRGPS, updated in 2023, now specify the main points to be discussed with applicants: corruption, conflicts of interest, CSR and ethics, in order to ensure a more transparent and ethical recruitment process.

1.5.1. Attracting and onboarding talent

Attracting talent

With labor markets tight in many countries, hiring new staff is key to Colas' ability to support growth in its various businesses. The Group hired 15,062 new staff members in 2023.

Colas has adopted a "Talent Acquisition policy" centered around three core pillars: structuring, attracting and transforming talent. This policy defines its priority actions, which are then applied taking account of local legal and cultural specificities.

Colas was voted top construction and public works company and 12th for all industries in Capital magazine's "500 best employers in France" rankings for 2023.

Structure
To allow for sharing of best practices and capitalize on its skills, Colas' Talent Acquisition Management structure comprises a corporate unit responsible for running, developing and structuring talent acquisition worldwide, and a Talent Acquisition team for each operating scope. This organizational structure makes Colas' recruitment process more professional by identifying and supporting internal recruitment experts.

The duties of this corporate unit are:

- heading up Talent Acquisition/Transfers/Ties with Schools networks: organizing meetings with recruiters, themed workshops, etc.;
- improving the visibility of job offers and the employer brand using various media and partnerships with job boards and social media sites;
- structuring recruitment and transfer processes by training recruiters in-house on the ACT corporate plan, as well as prejudices and biases in recruitment decisions.

Attract
Colas aims to offer applicants a respectful and transparent recruitment experience by structuring its practices and actively looking for new tools and new ways of improving its procedures. The Group supports its recruiters by providing training on inclusive recruitment. In Canada and at all Colas Rail entities, a guide to inclusive recruitment has been published and distributed to all management-level staff.

Colas develops partnership with leading names in the employment market (LinkedIn, Indeed, Glassdoor) in order to make itself more visible to potential applicants and improve its employer brand over the long term.

Colas launches ad hoc campaigns to boost its image and make itself more attractive. For example, to reach an even wider audience, Colas launched a social media campaign in which it adapted its style to the format required for this kind of communication. Feedback is analyzed regularly to check that its actions are having the desired effect. Colas also attends recruitment events each year. In 2023, it attended the OSPE (Ontario Society of Professional Engineers) Engineering Conference in Canada, as well as VivaTech in France.

Colas has been implementing its Graduate Program for several years and across numerous territories. This onboarding and support program targeted at young graduates aims to recruit people into junior positions and allows them to learn about the different jobs available before developing their skills gradually. This program concerns a number of activities, including construction work, design office, industry, materials, trade and HR. In 2023, Colas accepted 181 people onto its Graduate Program in France, allowing for transfers on a national or regional level. In addition to graduates hired in France, Colas has extended this initiative to a number of other regions (United Kingdom, United States and Canada). Thanks to its international network, it is able to offer these graduates international placements.

A specific approach is in place for ties with schools and taking on work-based training students and interns. Colas has developed partnerships with a number of schools and universities, as well as with student associations. Colas' close everyday ties with these various academic institutions increase its visibility and make it easier to communicate with students to offer opportunities for internships, work-study positions and ultimately full-time jobs. Each region develops its own ties with target schools. As a result, in 2023 Colas took on 968 young people on apprenticeships or vocational training contracts and 1,782 interns in France. The Group also attends university forums. Each year, it attends more than 30 forums in France and other countries, as well as Toronto Metropolitan University's Engineering day in Canada. These relationships with universities are reinforced by the presence of Colas employees at educational institutions as tutors or board members.

Forming close ties with universities and setting up various types of programs, including internships, are major sources of new hires for the Group.

Transform
Colas' recruitment policy aims to ensure diversity in the types of people hired as a way of enriching its corporate culture. One of Colas' strengths is that it offers new joiners exciting career opportunities by passing on knowledge between generations and offering international placements. These principles apply to all regions in the same way and help bolster the Group's international presence.

This desire for diversification is also reflected by a number of action plans aimed at increasing the proportion of women within operational roles, such as:

- talks to universities and student associations giving testimonies from female Colas employees; organization of site visits and dedicated events in connection with nonprofit "Elles Bougent";

- identification of a female sponsor for each new female member of the Graduate Program; development of a Global Graduate Program to recruit a cohort of young graduates from different backgrounds;

- attendance at various forums on the themes of disability and employability.

Indicators	Scope	Unit	2021	2022	2023
External hires by status	World	Number	20,347	21,720	15,062
Total France	France	Number	3,598	3,879	3,880
Managers	France	Number	649	725	706
Office staff, technicians and supervisors	France	Number	998	1,118	1,216
Workers	France	Number	1,951	2,036	1,958
Total International[1]	International, including New Caledonia	Number	16,749	17,841	11,182
Managers	International, including New Caledonia	Number	3,165	4,758	2,364
Workers	International, including New Caledonia	Number	13,584	13,083	8,818
Number of leavers by reason	World	Number	18,769	18,885	14,050
Number of leavers in France (under permanent contracts only)	France (Mainland + Overseas)	Number	3,376	2,884	3,029
Redundancies (all reasons)	France (Mainland + Overseas)	Number	1,210	1,090	1,081
Mutually agreed terminations	France (Mainland + Overseas)	Number	625	257	288
Resignations	France (Mainland + Overseas)	Number	980	1,017	1,005
Other (retirement, death, termination or end of trial period)	France (Mainland + Overseas)	Number	561	520	655
Number of leavers outside France	International, including New Caledonia	Number	14,587	15,300	10,013

(1) These figures include the total number of employees hired over the year, regardless of the nature of the employment relationship ("permanent" or "seasonal" employees).

The apparent fall in recruitment is due to the change in how the number of seasonal workers is calculated in North America in preparation for the headcount reporting requirements of future regulations such as the CSRD.

On a constant calculation basis, the number of Group hires fell by 9.4% excluding North America. This is a reflection of Colas' retention policy.

Voluntary departures represented 5.5% of the workforce across the entire scope over the full year. Variations were seen from one region to the next, with a structurally higher level of voluntary departures in North America.

Guiding talent throughout their careers

Integrating, retaining and developing talent is a key priority across all of Colas' business lines. To respond to these challenges, Colas set up a Talent Management Department in 2021. Management training courses available across all of the Group's business lines encourage professional development and greater employability. The talent management policy (including compensation) serves to coordinate career development activities in all territories in which Colas operates and helps build diversity within the business.

One of the key actions of 2023 was the application of the Group's three values – Caring, Sharing and Daring – to the behaviors expected of managers. The aim is for managers to adopt a management style suited to the current climate and which reflects employee expectations. This new leadership model helps improve staff retention. A set of managerial skills reflecting the Group's three values (Caring, Sharing, Daring) was presented at the management conference in March 2023 in a document entitled "Leadership Essentials", which has been widely disseminated among the Group's entities.

A number of different approaches have been launched for its implementation:

- Online management portal offering training content relating to expected skills and behaviors as part of a worldwide partnership with Coach Hub: HR teams and managers have access to development courses, 360° feedback and digital coaching at preferential rates.

- Partnership with Korn Ferry: HR teams are able to access premium development resources to support and develop high performing managers.

- Mentoring programs in all regions, with over 100 mentor-mentee pairings in 2023.

Colas uses the 9-Box grid talent management tool to assess employees according to their development potential and their operational and behavioral performance. A biennial identification campaign covering all managers was launched using 9-Box to put in place individual development plans and succession plans. Annual performance appraisals also provide an opportunity for employees to express their aspirations in terms of career development, mobility and training.

Each year, Colas' Chief Executive Officer and Group Human Resources Director review all of the Group's succession plans, development plans and strategic issues such as diversity and inclusion. Each entity (business units and departments) presents what it has been doing to Executive Management.

The turnover rate is also monitored and analyzed to gain a better understanding of people's reasons for leaving. Combined with the responses to the annual employee engagement survey, this information is used by local managers and local HR teams to proactively address the issue of employee turnover. In 2023, Colas introduced a Group-wide log for monitoring and measuring turnover among female staff. This is in addition to monitoring recruitment of women.

Lastly, Colas is continuing to roll out the ColasWay Human Resources Information System (HRIS), helping to harmonize HR practices worldwide and monitor entities' HR data. It currently covers more than 90% of the areas where the Group operates. The aim is for it eventually to become the internal careers site for all employees. Since 2022, the Human Resources Information System (HRIS) Department has been responsible for standardizing career management practices and tools. The career development interview provides the opportunity to listen to the needs of high performing staff, and is now conducted on the HR IT system, allowing for a structured exchange.

Compensation and benefits policy
Colas' compensation policy is based on fundamental principles aimed at creating a fair and motivational working environment. It is tailored to specific local requirements, while also encouraging long-term performance. In 2023, against the backdrop of inflation, Colas took a proactive stance by adopting a flexible approach, in particular by offering substantial pay reviews and exceptional budgets for individual pay rises for all employees. Concrete examples of this approach include the pay review campaign in the United States aiming to retain staff and get rid of wage gaps. In France, a total budget of 5% of the total wage bill was provided in 2023, highlighting the importance of retaining talent and eliminating gender gaps.

Colas is committed to ensuring fair pay by setting clear baselines based on responsibilities, skills and performance. A grading system has been introduced to guarantee fair wage distribution.

The link between compensation and performance is furthered by employees belonging to Bouygues' employee savings and shareholding plans. Employee benefits in all countries such as health insurance and pensions are designed to foster diversity and inclusion. For example, the BY Care 3 scheme includes paid parental leave for all parents, regardless of gender. Transparency is encouraged to explain bonuses paid to managers, using objective criteria that are disclosed to interested parties.

International staff transfers are central to the Group's policy and reviewed in order to support its growing needs. Comparative market analysis is done regularly to ensure that salaries are competitive on a global level.

The Group further digitized its processes in 2023 with “ColasWay – SuccessFactors” to facilitate integrated compensation management.

Overall, Colas’ compensation policy combines various elements to create a fair and motivational working environment tailored to local needs and in response to market challenges.

Other highlights in 2023 included the following:

- In France, a new quantification agreement under the profit sharing agreement signed in 2022 was negotiated with Colas’ trade union partners. Its calculation methods are more favorable if performance targets are exceeded and incorporate a new CSR indicator relating to the commitments of the ACT corporate plan.

- Worldwide, performance targets for bonuses paid to senior managers were defined in accordance with the Group’s strategic objectives. Apart from financial indicators, they include metrics relating to diversity and recruitment, talent development and work environment improvements. CSR indicators (reducing the carbon footprint, in accordance with the commitments of 30% reduction by 2030; decreasing the frequency rate of workplace accidents; increasing the proportion of women recruited for operational roles) have also been factored into calculations of senior executive bonuses in order to ensure their support of these areas.

Staff transfers
Mobility is a key way for Colas employees to gain valuable experience and boost their employability. It aims to facilitate transfers between different functions and/or regions within Colas to help meet employees’ goals and the staffing requirements of the business. Colas has reviewed its international transfer policy to support employees’ growing mobility needs and ensure that all jobs and situations receive the same treatment. The Group strives to improve understanding about the associated benefits and provide the necessary support for employees moving abroad and their families.

Colas launched a new internal and external careers site to provide employees and applicants all over the world with access to job offers. The Bouygues Group’s jobs platform is also open to Colas employees in France. All employees can express their interest in staff transfers on ColasWay. These expressions of interest are then used by local and central HR teams as needed (careers committees, career interviews, transfer committees, Executive Management visits, annual performance appraisals, etc.).

In addition, Colas has introduced a variety of measures to promote transfers between different geographical regions. For example, in the United States, job offers are published on the Colas USA website, which can be accessed at all subsidiaries, and, globally, more career routes are being developed between different geographic areas and a Mobility Charter and support schemes have been made available.

Each year, Colas takes part in the MobyDays event organized by Bouygues SA to highlight the wide range of jobs within the Group and encourage internal staff transfers.

Developing a respectful, inclusive environment

Colas’ aim – supported by Executive Management and spearheaded by the Talent Development, Diversity and Inclusion Department – is for each employee to be able to integrate, progress and flourish within the Company, regardless of factors such as gender, ethnic origin, qualifications and physical condition. Group guidelines are in place for each country in the form of action plans according to the country’s specific constraints. This ambition is based on three core pillars: the involvement of Executive Management, rolling out fair and inclusive processes and standards, and training HR teams and managers.

In 2023, Colas continued with its worldwide policy of stamping out inappropriate behavior at work, with minimum standards and procedures that apply all over the world. This policy was sent to all HR teams.

Executive Management’s commitments
The highlights of Executive Management’s involvement in 2023 were:

- on the occasion of International Women’s Day on March 8, statements by key operational members of the Strategy Committee;

- on other occasions, statements from the CEO and HR director, primarily to relaunch the WE Colas gender equality and inclusion network in collaboration with the Bouygues Group, targeted at all employees worldwide;

- sponsorship by five senior executives of the WE network, which has been implemented in the United States and Canada and at Colas Rail.

In addition, gender equality indicators are included in the criteria for calculating variable compensation paid to senior executives. These indicators are monitored using a specific tool and aligned with the Bouygues Group’s gender equality targets.

Fair, inclusive processes and standards
Colas has set out its values in terms of the behaviors expected of executives, particularly with regard to diversity and inclusion, in the Leadership Essentials. This document will be used as the basis for communications, training programs and all other assessment and support measures.

Emphasis is placed on the Group’s “Caring” value, the most important aspect of which is providing inclusive leadership in order to create diverse teams. Colas is also working on minimum HR standards that will form the guiding principles for all countries in terms of inclusion and are based on the Group’s gender equality plan initiated in 2022 and the Quality of Life and Working Conditions agreement currently being rolled out in France.

A Diversity, Inclusion and Equal Opportunity agreement signed in 2022 in France was rolled out in 2023. For France, an agreement on inclusion of people with disabilities was discussed with employee representative partners. Training of all Sexism and Harassment officers resumed in 2023.

Awareness, communication and training of HR teams and managers
Colas has adopted a communication and awareness-raising plan including general measures relating to diversity and local initiatives developed within the various entities.

For example, Colas is continuing to raise awareness among all executives about non-discrimination through its "Working Together for Diversity" e-learning module, which looks at the following seven types of discrimination: sex, age, ethnic origin, disability, religious beliefs, union membership and sexual orientation. This training module has been open to all management-level staff and executives since 2023. A total of 3,778 managers have taken this training in different forms of diversity.

To make itself more attractive, Colas has developed a variety of partnerships with the aim of attracting young women into technical fields, for example with nonprofit "Elles Bougent" in France, Africa (Côte d'Ivoire, Gabon, Benin) and Europe (Croatia, etc.), with British NGO WISE[1], and with Women of Asphalt in the United States; these organizations defend the cause of women in the construction industry and aim to make careers within the industry accessible to all women.

Finally, the Men and Women Share More platform gives all employees access to various content on the subject of gender equality (conferences, support materials, podcasts, etc.). In addition, 200 key senior executives at Colas Rail received training on the advantages of diversity, on biases and on non-inclusive behavior.

Indicators	Scope	Unit	2021	2022	2023
Workforce by gender[1]	World	-	-	-	-
Women (%)	World	%	11.44	12.25	12.53
Men (%)	World	%	88.56	87.75	87.47
Proportion of women in the Group[1]	World	-	-	-	-
Female staff[2] (%)	World	%	22.33	22.98	23.99
Female workers[2] (%)	World	%	2.54	2.92	3.99
Female managers[3] (%)	World	%	18.59	19.97	20.36
Female executives[4] (%)	World	%	11.08	12.97	13.23
Female "high-flier" executives[5] (%)	World	%	12.80	13.33	16.39
Female members of executive bodies[6] (%)	World	%	15.38	13.33	13.33

(1) All types of contract (permanent, temporary, seasonal).
(2) A job grade distinction is made between workers (whose work typically involves industrial or manual labor) and staff (office staff, technicians and supervisors).
(3) Managers ("cadres" in French) are identified by grade determined on the basis of a Job Code. This position corresponds to Levels 50 and above.
(4) Executives are identified by grade determined on the basis of a Job Code. This position corresponds to Levels 70 and above.
(5) High-fliers: employees in 9-Box categories A2 – A3 and B3.
(6) Members of the Strategy Committee and the Executive Management Committee counted as of December 31.

Gender equality indicators are continuing to improve and efforts have been stepped up to achieve the target set by the Group for France in accordance with the Rixian Law on representation of women.

Measures to employ and promote the social integration of people with disabilities
Colas continues to apply its policy promoting social integration for people with disabilities. This is part of a 360° action plan covering:

- recruitment, induction and integration of employees with medical conditions or restrictions;
- support, primarily by means of training HR staff, who are concerned in particular with keeping people in employment, and by raising employee awareness and dismantling prejudices;
- expanding use of organizations that employ people with disabilities wherever possible.

Colas offers employee support training to all HR teams. The HR management tool is reviewed on a regular basis to ensure that employees "at risk of unfitness" are correctly monitored.

In France, in addition to dedicated forums, Colas has stepped up its recruitment efforts by continuing to work with Cap'Emploi employment agencies, a key source in local job markets. Human Resources managers receive training on the risk of unfitness for work and how to safeguard against it. In addition, regular work has been done with the Purchasing Department to further collaboration with organizations that employ people with disabilities. The Communications and General Services Departments have also been asked to use providers that employ people with disabilities.

Information campaigns are provided for all employees. For example, Colas Rail launched the "My ability is better than my disability" awareness campaign in France and abroad. It explained how taking health issues into account forms part of the "Company well-being" policy, which types of conditions may be concerned and whom employees can turn to if necessary. The 2022 Quality of Life and Working Conditions agreement provides for measures suited to people with disabilities and their families. A specific disability agreement is in the process of being negotiated.

(1) Women Impacting Storebrand Excellence.

Furthermore, Colas Rail involved all Management Committee members and Top 30 executives in a hackathon aimed at coming up with innovative initiatives to promote the hiring and ongoing employment of employees with disabilities around the world. To help lead this process, Colas Rail called on an external organization, Big Bloom, to share industry best practice and support the executives taking part.

Colas Rail entered into a partnership with Paralympic athlete Trésor Makunda, a disabled sprinter who qualified for the Paralympic Games. He was involved in an on-site disability awareness session and also participated in training sessions for executives.

Indicators	Scope	Unit	2021	2022	2023
Number of employees with disabilities(1)	France (Mainland + Overseas)	Number	771	788	762
Number of employees with disabilities recruited(1)	France (Mainland + Overseas)	Number	6	17	13
Revenue from companies that employ people with disabilities	France (Mainland + Overseas)	€	1,223,751	1,617,873	1,587,637

(1) Fixed-term and permanent contracts.

The number of employees with disabilities is slightly down due to departures.

1.5.2. Developing employee potential

Colas is continuing its proactive policy of investing in upskilling its employees to make them more adaptable to changes in the business. In 2022, worldwide investment in training equated to 2.1% of total payroll (3.7% in Mainland France). This investment translates into a range of training covering the entire scope of business lines. In addition to promoting all forms of training, the aim is to develop a culture of continuous learning. The range of training is structured around strategic training goals set by the Group Human Resources Department.

The Group's training priorities are:

- developing key skills and employability;
- nurturing the corporate culture;
- reinforcing operational excellence;
- helping the Company navigate strategic change.

Developing key skills and employability

For Colas, it is essential to ensure that all employees have the necessary skills to safely meet the requirements of its existing and future operations. These skills and training lay the foundations for the Group's performance in terms of safety, quality, productivity and customer satisfaction. They always include the key elements of Colas' CSR policy. The Company must be able to offer all its employees means of developing their skills in their own area of specialization as well as in connected or other areas. For this reason, in addition to training plans established every year in every country, Colas is developing a self-service digital training tool accessible to all employees. A number of partnerships have been entered into with international providers in an effort to cater for both the wide range of roles and the broad geographical distribution of Group sites. The range of training available has been expanded to give all employees a 360-degree view of their own development.

In addition, two years ago, Colas launched an international training catalogue, open to all Colas employees, to consolidate the training available in different countries. This catalogue is constantly being updated to reflect topics of interest to the Group in terms of skills development.

Nurturing the corporate culture

Employee engagement is rooted in a shared understanding of Colas' values and CSR commitments. This shared culture is conveyed by the ACT corporate plan and presented in Colas' various training courses. That being the case, executives play a key role in embodying the values so as to motivate and retain talented people, maintain a positive labor relations climate and support environment-related change. To facilitate buy-in to this shared culture, all Colas employees are required to complete five mandatory training modules, which aim to protect their personal security and secure company assets: safety, cybersecurity, ethics, diversity and GDPR. These digital modules are accessed via the in-house Colas Campus platform.

Colas University forms an integral part of the Group's training provision and constitutes a key element of managers' career paths. Sessions are organized throughout the year at the 4 training hubs (Paris, Toronto, New York, and Budapest), in four cycles:

- Level 1 on getting to know the Group for newly hired managers: The first international Level 1 Colas University courses were launched in 2022. In 2023, Colas celebrated the 250th level 1 Colas University course.

- Level 2 for managers becoming department or sector heads: This Colas University course was offered in Budapest and the United States in 2023.
- Level 3 for functional and operational managers identified by the Group as having potential: Content is centered around the themes of leadership, ethics, finance and strategy.
- Level 4 for the Group's top executives.

Every year, over 700 employees participate in one of these four levels of Colas University.

Strengthening operational excellence

Strengthening operational excellence means fighting poor quality and maximizing performance in terms of safety, quality, productivity and customer satisfaction. With this in mind, the Group, which is always keen to promote and develop its employees' operational skills, has rolled out a program named "Colas Share on the Road". This program aims to highlight employees from all business lines who share videos showcasing their expertise. Topics covered range from cutting rails and crushing through to using Power BI. The intention is to represent the diverse range of roles and, above all, to share best practice worldwide and secure Colas' information assets.

The acquisition and transmission of skills is thus underpinned by Colas Share, a system for sharing knowledge within the Group. Every month, over 26,000 people visited Colas Share to browse one of its 80 dedicated communities – a 20% increase relative to 2022. Colas continues to upskill its workforce by expanding its business line Academies approach, launched in 2021 with the aim of boosting teams' professional expertise. These Academies rely on a high level of commitment from in-house business line experts, who often serve as trainers for these modules. To date, several business lines are covered (Legal, Purchasing, Materials, etc.) with a view to professionalization through skills development, dialogue, international openness, etc. In 2023, the BIM, Keystone and Legal Academies were rolled out for a second time, reflecting the model's relevance. Other Academies are also under consideration.

Supporting strategic change

Technical, technological and strategic changes regularly impact Colas' activities. Teams must anticipate and take on board these changes to create value within the Group. That being the case, Colas has incorporated two key trends into the strategic direction of its training policy: digitalization and internationalization.

The international training catalogue, which encompasses all training available to employees worldwide, has been overhauled in terms of both its content and its user interface. For example, manual workers with no email address can access the catalogue by scanning a QR code. The aim is to offer all Group employees opportunities to develop consistent, high-quality skills aligned with their expectations, irrespective of where they work.

In addition, in 2023 Colas rolled out an executive portal that can be accessed from anywhere in the world. As well as offering access to thousands of multilingual resources, this portal helps executives get to grips with the Leadership Essentials by breaking down Colas' brand values into behaviors and attitudes. The portal plays a part in promoting a shared culture and defining an overall toolkit which is evolving into a framework of standards. A monthly newsletter is sent out, timed to coincide with key management activities and events, highlighting both inspiring stories and content that digs deeper into the Leadership Essentials.

Colas has also continued to expand its range of digital learning programs. For this reason, in addition to its language learning platform, accessible to all employees, Colas has developed a range of products covering all its main business areas. All employees have unlimited access to tens of thousands of resources (virtual classes, videos, articles, practical exercises, grammar lessons, etc.).

Indicators(1)	Scope	Unit	2021	2022(2)	2023
Number of employees trained	World	Number	36,722	40,987	36,771
Number of days of training	World	Number	82,027	107,543	112,932

(1) The above figures related to training are consolidated in fiscal year Y for the period Y-1.
(2) Including e-learning training programs.

Indicators	Scope	Unit	2021	2022(2)	2023
Number of people under apprenticeship contracts taken on during the year(1)	France (Mainland + Overseas)	Number	604	866	854
Number of people under vocational training contracts taken on during the year(1)	France (Mainland + Overseas)	Number	110	145	114

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

The number of days of training increased sharply, highlighting the Group's desire for its employees to upskill, in particular through longer but fewer training courses.

In addition, the recruitment volume of work-based training students stabilized, demonstrating Colas' maturity as regards welcoming young talent.

1.5.3. Creating a high-quality work environment

To develop employee engagement, which is essential for the Company, Colas strives to create a work environment that meets employees' expectations. This involves listening to employees and labor-management dialogue, providing optimum working conditions and also helping employees get involved in local socially oriented initiatives.

Listening to employees and labor-management dialogue

The Dialogue annual survey, Colas' listening tool (translated into 26 languages), is rolled out in nearly all countries where Colas operates (49 countries). Each year, Colas gives all its employees around the world (around 65,000 in 2023) the opportunity to express their views on various themes: workplace well-being, engagement, health and safety, workload, quality of life at work, buy-in to the Group's values and understanding of corporate strategy. More than 79% of employees responded to the survey in 2023, which yielded an overall engagement rate of 83%, up 1 point from 2022. The results are analyzed locally in order to implement measures close to the ground and to address employees' concerns. Of the 13 indicators tracked, 12 increased by one or more percentage points relative to 2022.

In 2023, a number of initiatives were launched on a regional level (training, communications, etc.). The increase in both the participation rate and the number of items demonstrates the relevance of local action plans implemented in each region.

This survey enables Colas to benchmark itself against other firms in its industry sector using a tool developed in partnership with consulting firm Willis. The most significant areas of progress in 2023 were knowledge of the Group's values and fair compensation practices. The items with the highest scores continue to be empowerment, safety, engagement and well-being.

Employee working conditions

Colas wants to offer its employees an innovative, responsible working environment wherever they are in the world. With this in mind, agreements and initiatives were rolled out in Mainland France in 2023 and consideration is being given as to how they can be extended to other countries. Over the course of the year, Colas continued to implement Quality of Life and Working Conditions (QVCT) and Diversity, Inclusion and Equal Opportunity agreements. In particular, specific materials were produced for manual workers. Existing flyers and brochures and a new film highlight various measures in support of parenthood (including in particular free help with children's homework, very much appreciated by manual workers), practical assistance with everyday life and help for employees who are caregivers. Communicating about the telephone support hotline was also a priority. A dedicated number, available to employees and their families 24/7, offers answers to emotional, practical and physical issues in all areas relating to work and/or personal/family life (stress, addiction, bereavement, etc.). A social welfare service is also available via the same number. In November 2023, Colas was awarded a Mieux Vivre en Entreprise ("Well-being at Work") award for its commitment to employee well-being, endorsing the Group's work on social innovation.

Towards the end of the year, Colas published its new disability policy, giving an insight into the first Group-wide agreement in this area, expected to be introduced in early 2024. Colas' aim is for this forthcoming agreement to embody its commitment to support people with disabilities both in the workplace and in society at large.

The Group also entered into ongoing negotiations with trade unions and employee representatives in 2023 on issues such as jobs and career management, including an overhaul of the mobility policy, as well as the introduction of a new Compte Épargne-Temps flexible working hours account.

In addition, Colas continues to offer its employees health insurance, retirement benefits and personal risk cover at very good levels, including in particular a minimum level of death and disability benefits, in France and around the world. All Group employees are covered by the Bycare program, which offers a range of core employee benefits based on best practice in each country.

Encouraging employee involvement

Colas firmly believes that employees are more engaged if they are able to get involved in efforts to help others through the Company. It therefore provides schemes to enable employees to get involved in programs that benefit society, such as supporting local communities close to worksites, helping to build facilities, donations or help for local residents and initiatives to protect the environment. In Canada, for example, subsidiary Miller has involved employees in cleaning up lakeside areas as part of an annual volunteering program. Colas Rail supports the development of a number of third-sector organizations by means of skills-based patronage, in particular within the REC Innovation network and ESS Factory.

Additionally, in France and Côte d'Ivoire, Colas is involved in Forest and Life, an educational program founded by Kinomé. The goal is to participate in reforestation projects and educate children about key sustainable development issues.

Patronage and sponsorship

At Colas, participating in local life also involves running corporate patronage and sponsorship activities governed by Colas' compliance policy. For its corporate patronage and sponsorship policy, Colas has set priorities aligned with its social commitments that resonate with all employees. The Colas Foundation has updated its corporate purpose. Since 2022, across all regions in which Colas has a presence, it has backed initiatives in support of social inclusion and access to employment for children and young people through education, business, sports and culture. The Colas Team Cup, an international sporting and artistic challenge organized by the Group for its 65,000 employees in conjunction with the Foundation, has supported four charities.

Colas has also put its expertise to work to preserve heritage. As part of a skills-based patronage program, the Group teamed up with the Louvre museum in summer 2023 to make the horseshoe-shaped Fer-à-Cheval ramps at the Tuileries Gardens in Paris accessibility-friendly.

Indicators	Scope	Unit	2021	2022	2023
Total cash patronage and sponsorship	World	M€	3.9	4.1	3
Total in-kind patronage and sponsorship	World	M€	0.3	0.5	1.3

Total corporate patronage donations (in cash and in kind) decreased by 1.3% in 2023. These donations mainly related to solidarity-based, humanitarian and education initiatives, reflecting a commitment to supporting local people, particularly outside France. Total sponsorship expenditure increased by 6.9% in 2023. As in previous years, sponsorship focused on sports.

1.6. Reinforcing a culture of health and safety to keep people safe

For Colas, the health and safety of its employees is a top priority. The Group's aim is to reinforce a worldwide culture of health and safety. Colas is committed to valuing its human capital and actively working to provide working conditions and an environment for all its employees and stakeholders (temporary staff, suppliers, subcontractors, local customers, etc.), in which risks to their health and safety are kept to a minimum. Similarly, the approach to security and crisis management helps protect the workforce and the Group's activities.

The Health, Prevention & Security (HPS) Department – part of the Sustainable Development & Innovation Department – helps roll out the Group's strategy on the basis of the ACT corporate plan. A global network of safety managers was set up several years ago to help enforce the health and safety policy, backed by a wide range of prevention tools including safety training, operational processes and tools shared via a single multilingual platform, Colas Share HPS. This platform also allows for sharing of best practices and feedback. The HPS Department aims to give Safety teams operating at the level of subsidiaries greater autonomy, supporting their skills development and closeness to operations while also ensuring uniform processes and compliance with standards and regulations. Furthermore, a network of security managers has been established across seven countries to account for local differences, working daily to protect Group employees against geopolitical and malicious risks.

Colas' health, safety and security commitment, "Reinforcing a culture of health and safety to keep people safe", is underpinned by two pillars:

- consolidating the health and safety culture for all stakeholders;
- adjusting the safety and crisis management policy to global geopolitical changes, particularly in regions of tension and conflict.

1.6.1. Consolidating the health and safety culture for all stakeholders

Colas has set itself a "zero accident" target. Over the last ten years or so, the Group has led an initiative to transform its culture into one that prioritizes health and safety, running ad hoc prevention and awareness programs and providing its employees and third parties (temporary staff, subcontractors, contract carriers, etc.) with equipment and tools, particularly digital equipment and tools, tailored to each person's needs and skills. The Group prioritizes the health and safety of all stakeholders by complying with the laws in force in each country in which it operates.

Enhancing workplace safety

Colas draws on its worldwide cultural change program, One Colas Safety, to improve employee safety. This consists of the Goal Zero program in North America and the One Safety program in the rest of the world (excluding Asia). These programs are implemented by local entities under the aegis of the Corporate Health and Safety Department.

The One Safety program encompasses a number of initiatives including the creation of steering committees (at profit center, region and country level). Meanwhile, workshops are run at profit center level involving the steering committee plus support functions, ambassadors for the approach and site supervisors. On average, these workshops run for half a day. A total of 1,618 employees in France completed "See and Tell" training in 2023. Over a million managerial routines have been shared through this global training program (conversations on safety-related issues, “starter” briefings[1] and safety meetings); the number and implementation of these routines is measured via the digital Quick Connect system.

Alongside this program, Colas has been rolling out the 5 Rules of Life and the 10 Life-Saving Rules since 2020. These shared rules apply to all Group entities worldwide, except where an entity requests an exemption (in light of the specific characteristics of rail activities, the rules have been adjusted to take account, for example, of high-voltage activities), which must be signed off by the Group’s HPS Department. These rules are applied by local safety officers and monitored by the HPS Department, which systematically checks compliance in the event of workplace accidents.

In 2023, the HPS Department rolled out an awareness campaign (via a 15-minute video) for all new employees. This campaign helps new employees familiarize themselves with and buy into Colas’ safety standards. The safety induction briefing is one of the first stages of the induction program for new recruits.

Every year, Colas organizes a Safety Week to enable each and every employee to take time to talk about health and safety issues. In 2023, the risk of collisions between machinery and pedestrians was chosen as the key topic in consultation with local safety officers. This is one of the most frequent causes of serious accidents observed within the Group. Workshops and activities helped mobilize and raise awareness among employees all over the world. This event helps drive lasting change in individual and collective behavior, in keeping with the Group’s zero-accident policy.

The Group took the following actions in 2023 to enhance workplace safety:

- Defined four levels of severity (actual and potential) for accidents and near misses/close calls. This information is systematically input into Acciline+, the reporting system used to consolidate local data at Group level.

- Defined notification requirements: sharing information and recording accidents and near misses/close calls. Serious accidents must be notified within 24 hours to the HPS Department, which then notifies all safety officers.

- Formalized roles and responsibilities in relation to health and safety, in particular as regards recognizing good behavior and imposing penalties when safety rules are violated.

- Drew up Colas rules on personal protective equipment (PPE) based on consultations with all business unit representatives.

- Continued to digitalize procedures and reports, including in particular those used to assess occupational risk. Employees have access to two multilingual dashboards. These show the Group’s safety performance and provide links, instructions and information about changes in digital tools provided by the HPS Department.

- Stepped up efforts to share and disseminate prevention, safety and security best practice through the Safelix platform launched in 2022. This platform offers 160 videos designed to raise awareness and share stories from the field to help executives strengthen the Group’s safety culture.

A number of safety initiatives were rolled out in the field in France and abroad in 2023:

- Colas launched a PASI trial in five French regions (Hauts-de-France, Auvergne-Rhône-Alpes, Grand Est, Occitanie and Provence-Alpes-Côte d’Azur) in 2021. This training program is aimed at all temporary staff. It provides temporary staff with certified benchmark site safety training tailored to the needs of construction firms.

- At Colas Rail, 6,000 monthly preventive actions have been taken.

- Colas’ two Canadian subsidiaries, NPA and Miller, secured certificates of recognition confirming that their health and safety management systems had been assessed by a certified auditor and complied with provincial occupational health and safety (OHS) standards. These standards give priority to assessing risks, managing hazards and building employee engagement to foster a safety culture.

- For all events with high actual or potential severity, Colas subsidiary Spac carries out in-depth analysis to identify root causes and take corrective action. To supplement this analysis, feedback is systematically shared to ensure continuous improvement.

(1) “Starter” briefings are held on Colas worksites at the start of each day to discuss and raise awareness of safety issues.

Indicators	Scope	Unit	2021	2022	2023
Frequency rate of employee workplace accidents[(1)]	World		5.04	4.53	3.89
Severity rate of employee workplace accidents[(2)]	World		0.40	0.33	0.32
Number of fatal employee accidents[(3)]	World	Number	1	2	3

(1) Number of lost-time accidents x 1,000,000/Number of hours worked, not including accidents following sudden health incidents or commuting accidents. These are accidents declared and recognized by the competent authorities, e.g. the CPAM in France.
(2) Number of working days lost x 1,000/Number of hours worked, in line with the regulatory definition of "Severity rate": "Working days lost in the current year are taken into account even if the accident occurred in the previous calendar year." Working days lost in the current year are taken into account even if the accident occurred in the previous three calendar years.
(3) The number of fatal accidents relates to the registered workforce and consists of accidents linked to occupational activities resulting in death, including road traffic accidents. Commuting accidents and fatal accidents following sudden health incidents are not included.

The process initiated in 2020 – notably through cultural change programs, awareness-raising activities in the field and the introduction of safety processes aimed at better preparing the ground before construction activities begin – is gradually bearing fruit, with frequency and severity rates steadily improving. In 2023, the frequency rate fell below 4 for the first time in Colas' history. .

Road safety

Colas has put in place a road safety action and prevention program that relies on the commitment of Group entities (subsidiaries and business units). Each entity implements a policy of regularly raising employees' awareness of road risks, with road safety correspondents tasked with coordinating the program. These correspondents are supported by a network of over 400 Road Safety Officers tasked with implementing and coordinating the program.

In France, the program to implement road safety practices on the ground is focused on the following:

- raising drivers' awareness of safe driving rules through road safety training, post-accident analysis, (internal and external) driving audits and communication tools (such as comic strips, videos, posters and relevant virtual reality experiences);

- organizing journeys;

- the vehicle fleet: purchase and maintenance; active and passive safety equipment such as onboard telematics, gradually being rolled out across the Group;

- the environment: road infrastructure, traffic plans, etc.

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

Colas' program draws on policies developed by local authorities. For example, in 2021 Colas signed the "7 Commitments for Safer Roads" in partnership with the Road Safety Delegation. The Group is keen to continue pursuing road accident prevention initiatives and improving its performance in this area. The frequency rate[(1)] of road accidents with a third party involving a Colas vehicle has fallen by more than 75% in France since 1997.

Colas sets itself a target to reduce losses, a goal shared by all subsidiaries. Between 2004 and 2023, the road accident frequency rate worldwide declined by 60%. In recent years (since the Covid-19 pandemic), this decline in the frequency rate has partly been helped by the increased use of remote meeting technology, which has helped reduce the number of road journeys.

In addition to these programs and actions, Colas has for many years focused a portion of its research and development work on road safety:

- Development of high-grip road surfaces to lower the risk of accidents.

- Extending use of its Flowell dynamic signage system to make road signage easier to read and improve user safety. Several trial sites have been deployed to test the solution in real conditions. Its use leads to calmer driving, greater awareness of risks, and thus enhanced safety for pedestrians.

- Rolling out the ANAIS system to help road network managers identify sections of road in need of attention and near-accidents on their networks. Colas is then able to support them by suggesting land-use planning recommendations and to monitor road safety across their networks (via an environmentally friendly driving score).

- Designing and manufacturing road safety equipment via its subsidiary Aximum, such as guard rails, horizontal and vertical signage and crash barriers.

- Development of the patented SAVE (Vehicle Evacuation Approach System) solution installed on warning arrows to alert workers working along high-speed roads if there is a danger of imminent collision. This solution was brought to market by Aximum in 2023.

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

Safeguarding health at work

The Colas Group offers all its employees social protection.

- In France, all employees are entitled to provident insurance (long-term disability and life insurance) and health insurance, with cover exceeding both statutory and contractually agreed minimum levels. As well as contributing to employees' health cover, the Group contributes towards the cost of cover for employees' family members.

- In other countries, all employees are covered by the ByCare program, which offers standard social insurance cover based on best practice in each country.

The HPS Department analyses and shares best practice, which is then disseminated by HPS officers. The HPS Department is a member of non-profit organization Cindex, through which benchmarks and best practice are shared with international groups. This information is then passed on to local Colas entities.

The HPS Department encourages each local entity to analyze the specific health considerations of its immediate environment. Measures are then taken to address the health risks to which employees may be exposed.

Local initiatives implemented in 2023 include the following:

- France (northeast and southeast regions): training of all employees in the dangers of alcohol and psychotropic substances. The Northeastern region created a catalogue of actions that can be taken at site level to improve employee health.

- Spac held a safety meeting focused on drawing up an action plan to help cope with anticipated summer heat waves. This plan included analyzing potential risks to employee health from heat waves and identifying appropriate action in response.

- Colas Rail put in place an educational program in London aimed at raising employee awareness of the causes of fatigue. The aim is to help those employees suffering from fatigue better manage aspects such as sleep, diet and other potential stress factors.

Specific measures were put into place to prevent exposure to noise, UV rays, bitumen fumes, dust and hazardous substances, in particular chlorinated solvents. The Sustainable Development & Innovation Department also lends its expertise, advising entities on measuring exposure to noise pollution and air quality. For a long time, measures have been taken with regard to ergonomics and prevention of musculoskeletal disorders. In France, the Ile-de-France Normandy region is continuing to work on the Asphaltator (a robot for helping workers) to prevent the development of musculoskeletal disorders in workers working with asphalt mixes. In other regions, physical preparation sessions are run to reduce the risk of muscle injuries and musculoskeletal disorders. Research is ongoing into using exoskeletons to reduce the need to carry heavy items.

Colas carries out permanent monitoring to ensure observance of the World Health Organization's guidelines and recommendations. Relevant information is systematically made available to affected employees via Colas Share. Employees on assignment receive "Recap Santé", a dedicated digital health passport.

Indicators	Scope	Unit	2021	2022	2023
Number of employees recognized as suffering from an occupational illness during the year	World	Number	113	95	135
Number of consecutive lost-time days following workplace accidents	World	Number	43,458	37,549	36,157.50
Absence rate(1)	France (Mainland + Overseas)	%	6.13	6.07	5.47
Number of hours worked	World	Number	108,038,151	113,397,955	111,740,886.05

(1) Permanent contracts; this indicator measures the number of working days lost due to workplace accidents, commuting accidents, illness or occupational illness, in proportion to the number of calendar days.

Following a sharp decrease in 2022, the number of employees recognized as suffering from an occupational illness grew significantly in 2023. Meanwhile, the absence rate continued to fall, as it had over the previous two fiscal years, notably as a result of the improvement in the public health situation and a significant reduction in the number of working days lost to workplace accidents over the past two years thanks to safety actions implemented.

1.6.2. Adjusting the safety and crisis management policy to global geopolitical changes

Protecting the workforce and the Group's activities from malicious acts is a priority. The approach to security is underpinned by a range of procedures, tools and training aimed at protecting employees in the course of their day-to-day activities, when traveling for work (with an average of over 8,000 trips per year) and if and when a crisis arises (anticipating and managing crises). Specific steps are taken to safeguard against key risks as well as to respond to employees in crisis situations.

Under the aegis of the HPS Department, the network of Security Managers works to protect the Group's employees as far as possible.

On a day-to-day basis, Colas helps entities and employees prevent and manage malicious activity by:

- permanently monitoring the geopolitical and security situation in countries where it operates;
- issuing security news flashes;
- undertaking site security audits;
- implementing physical protection measures in response to high-risk situations as and when they arise.

In addition, a training program in stress management and verbal and physical threats was devised in 2022 to limit employees' exposure to these risks. A pilot training program was also run at four of the Aximum subsidiary's profit centers in France that same year. In 2023, more than 500 employees completed this training in France.

Country risk assessments, undertaken by the HPS Department, are updated daily thanks to geopolitical monitoring. All operations in countries assessed as high-risk are subject to at least the following:

- a list of measures to mitigate these risks;
- organizational measures and responsibilities in relation to security/crisis management;
- a crisis management plan.

Protection of employees traveling to high-risk regions is overseen by local Security Managers in conjunction with the Group's HPS Department. Whenever a new project is launched in a region identified as high-risk, a risk assessment is carried out using the Group's proprietary security risk matrix and a general security plan is put in place. This plan identifies security measures to be adopted by local entities to ensure the security of the Group's personnel, property and assets.

Colas takes action to safeguard against critical events and prevent them from impacting its people or projects. The Group also has in place a crisis management policy to protect it as far as possible in emergency situations. The Group Crisis Management Manual forms the core of the Group's crisis management policy. This manual is made available to all local entities, which are responsible for updating it and rolling it out within their geographical area. In addition to the manual, entities may run specific training sessions and exercises. The aim is to have in place a consistent crisis management methodology so that crises are managed effectively and consistently across the Group.

Colas' other essential tool is its Golden Book. It consists of information sheets summarizing the first steps to take in a crisis or other high-pressure situation. These crisis management tools are supplemented by operational business continuity plans, which each local entity is responsible for updating.

1.7. Building a responsible supply chain rooted in sustainable performance

Colas' external expenditure represents over 60% of the Company's revenue and thus constitutes a key motivator for involving Colas' suppliers and product and service subcontractors in the Company's CSR approach. To this end, Colas has in place a purchasing policy, which incorporates the responsible purchasing roadmap. This policy aims to take into account:

- constraints arising from the fact that the Group has so many suppliers (over 100,000 direct suppliers);
- risks arising from having different types of expenditure across different regions;
- Colas' ability to influence its supplier ecosystem.

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

- training the Purchasing teams in corporate social responsibility, and making them accountable;
- working with business lines and entities to build a socially responsible purchasing action plan that is in line with the Group's low-carbon and biodiversity strategy and objectives;
- making sure suppliers and subcontractors are committed to delivering on CSR, in particular by using the Purchasing CSR risk map;
- ensuring that Colas honors its CSR commitments to its suppliers and subcontractors.

The Purchasing Department oversees the rollout of the Responsible Purchasing roadmap. This is organized into various units: equipment excluding production, energy and raw materials; production supplies; compliance process; and purchasing performance. The purchasing performance unit coordinates the CSR purchasing policy and ensures it is implemented across the Group's geographical areas, with the support of Purchasing Directors in the various regions where the Group operates. In 2023, the Purchasing Department presented the roadmap to all the Group's purchasing functions. Implementation of the roadmap then proceeded at local level. For example, a purchasing meeting was held at the Aix-en-Provence headquarters to examine the issues in more detail.

1.7.1. Training and empowering buyers

Colas is keen to make its buyers stakeholders in the purchasing process, particularly when purchasing sustainable goods and services. The Group pays particular attention to ensuring that its buyers are aware of and trained in responsible purchasing and Colas' CSR obligations, notably as regards the duty of vigilance. The Legal and Compliance Department also runs "Applied business ethics and compliance" training for buyers.

Colas is in the process of rolling out Climate Fresk workshops across the Group. Buyers, who are more aware of responsible purchasing issues thanks to these workshops, are also encouraged to take local factors into account when making buying decisions. Entities (sites, profit centers and headquarters) are taking action to this effect. Buyers also have access to training kits covering CSR-related issues and associated quizzes, in the form of e-learning modules. In particular, these kits explain the duty of vigilance, the nature of associated CSR risks (safety, the environment and human rights) and supplier CSR assessment criteria. These dedicated Purchasing training courses have been rolled out worldwide and are completed by all new recruits. As of year-end 2023, more than 90% of buyers had completed these two modules.

Colas encourages the sharing of information within the Group. In 2023, the Group began gathering responsible purchasing best practice in France and the United Kingdom. This exercise was such a success that it has now been rolled out worldwide, with the aim of gathering one best practice per buyer by the end of 2024.

1.7.2. Working with activities and business lines to build a socially responsible purchasing action plan

The Colas Group's overall performance is intrinsically linked to that of its partners, suppliers and subcontractors. In order for the Group is to offer the most effective and responsible solutions, it is essential that Colas selects products and services that are technologically, environmentally, socially and societally innovative. Colas is also keen to extend its social responsibility approach to its key suppliers and subcontractors. In this way, the Group intends to encourage a spirit of partnership and shared value creation for customers.

Colas has identified key themes for its business based on their strategic and CSR impact, in particular the shift to a low-carbon approach. The goal is to identify synergies between Colas and its suppliers, and to work with the business lines to put in place action plans to ensure that CSR criteria and requirements are built into specifications, bids and contractual clauses so as to specifically offer low-carbon alternatives. Suppliers are asked to highlight the carbon aspects of their offers, for example in calls for tenders for equipment (CapEx) and purchases of raw materials (hydraulic binders for use in road construction, cements, slag, etc.). Since 2022, the Purchasing Department has asked its strategic suppliers to provide less carbon-intensive solutions, such as low-carbon ready-mix concretes and supply electric or hybrid equipment for small equipment hire.

Since late 2022, a consulting firm has been working with the Group Purchasing Department to help it implement a methodology for drawing up and rolling out responsible purchasing action plans for suppliers and buyers. These plans are designed to ensure that stakeholders work together to identify and implement methodologies for reducing the carbon footprint of their own activities. Roadmaps for each supplier are being drawn up with the aim of taking coordinated, tangible action to reduce the carbon footprint.

A number of examples highlight Colas' commitment in this area:

- Offering incentives to use weaker concrete mixes and buy low-carbon concretes.
- Hiring electric equipment: In 2023, the Grenoble profit center in France embarked on an "all-electric" construction project in partnership with LOXAM, using electric machinery recharged on site via a hydrogen power generator. The Lyon profit center had already run a similar initiative in 2022.
- Buying green electricity: All electricity purchased in France and Belgium was covered by guarantees of origin.
- With the installation of 1,650 electric vehicle charging points in France, electric vehicles were gradually incorporated into the vehicle fleet.
- Installing Oleo100 tanks at a number of Colas sites in France to fuel 1,100 heavy vehicles (Oleo100 is a biodiesel made from 100% French rapeseed). Seventy percent of the heavy vehicle fleet had been converted by the end of 2023.
- New CO_2e criteria are built into the ongoing global tender for CapEx on wheeled equipment (e.g. excavators, loaders and trucks).
- In the United Kingdom, Duradrain recycled plastic curbs were used on the A46 trunk road project. These curbs, which are ten times lighter, help reduce the CO_2e footprint.
- Continuing with innovative supplier partnerships to reduce Colas' environmental impact: In France and Belgium, Colas has entered into a partnership with Carmeuse, which supplies the Group with lime made from a mixture of quicklime and paper sludge; this innovative material helps reduce CO_2e emissions from working with lime on sites.
- Working with the Equipment Performance Department to organize a Colas Construction Equipment Tenders Supplier Day. This international event brought together a large number of suppliers. It was an opportunity for Colas to communicate about its greenhouse gas emissions reduction goals and encourage its suppliers to take into account CSR issues when responding to invitations to tender.

Colas also aims to incorporate sustainable economics into its activities, notably by facilitating access to employment through its responsible purchasing policy. In France and the United Kingdom, the Group includes employment clauses when bidding for public procurement contracts. Partnership agreements are signed locally with GEIQs (employer groups for integration and training) to help facilitate the employment process for people encountering trouble accessing the job market or returning to work.

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

To assess and monitor the social and environmental performance of its suppliers and subcontractors over the long term, Colas has mapped CSR risks by purchasing category and CSR region. This was rolled out in 2023 as part of the overhaul of the mapping of risks relating to the duty of vigilance for road activities in France. This central tool will be rolled out gradually in 2024 and translated into specific action plans.

To make sure suppliers are committed to and delivering on CSR, Colas draws on a range of tools and initiatives such as:

- the Bouygues Group CSR charter for suppliers and subcontractors;
- specific clauses;
- CSR assessment questionnaires.

For example, suppliers invited to submit bids in relation to capital equipment (CapEx) must complete a questionnaire in which they are specifically asked to highlight the CO_2e-related aspects of their proposals.

In 2023, Colas rolled out its supplier CSR assessment process, developed in 2022: 650 strategic suppliers were identified, either because they were among entities' top suppliers or because they were considered as posing a CSR risk. These suppliers are now required to undertake a CSR assessment on the EcoVadis platform. At end-September 2023, 20% of targeted suppliers had either completed an assessment or were in the process of doing so. Depending on the rating achieved, the Group may work with suppliers to put in place action plans to improve their performance.

Colas Rail is working to involve its key suppliers in the Group's CSR approach. Following on from the "Carbon Fighter" forum, held for the first time in 2021 and again in May 2023 to strengthen collaboration with strategic suppliers, Colas Rail is keen to contribute to the transformation of the rail sector. It is working with Fédération des Industries Ferroviaires (the French rail industry federation) on practical ways to achieve this.

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

By the same token, Colas undertakes to treat its suppliers and subcontractors equally and to honor its payment terms. The Group puts in place action plans for suppliers in a situation of economic dependence.

Work on digitizing the expenditure commitment process has been ongoing since 2022, along with work on paperless billing and payments. Colas is thus shortening the time taken to complete tasks and issue payments: orders are formalized, received and invoiced using completely paperless processes and payments are made by bank transfer.

1.8. Consolidating an exemplary culture of ethics and compliance

Unethical acts or complicity in unethical acts can constitute major economic and financial risks, as well as risks to the Company's reputation. Ensuring that Colas employees and third parties conduct themselves in an ethical manner is essential.

Colas is strengthening its ethics and compliance culture, with a focus on three key areas:

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

Ethics and compliance are overseen by the Compliance unit within the Legal, Compliance and Risk Department and by Group Compliance, reporting to the Group Chief Legal, Compliance and Risk Officer. At the local level, Chief Legal & Compliance Officers are tasked with enforcing compliance across their scope of responsibility. The Colas Group Compliance Procedures affirm the key role played by each department and each executive in this area.

1.8.1. Identifying compliance risks and risks of human rights violations and implementing appropriate action plans

Compliance risk mapping

Colas asks its subsidiaries to map their compliance risk by business line and by country. These risk maps are revised every two years. Entities initially revised their corruption risk maps between September 2021 and June 2022, evaluating 22 scenarios for the purposes of detailed process analysis. The next biennial review will be carried out in 2024. To date, more than 76 risk maps have been finalized and signed off within the shared ColasMap software. Three of these risk maps were created in 2023 to cover new geographical locations (Panama, Germany and Côte d'Ivoire for Colas Rail). Action plans were then drawn up and implemented within each entity. These action plans are presented to Executive Management during annual compliance reviews. In May 2023, a dedicated working group drew up four new risk scenarios related to prohibited practices: fraud, collusion, obstruction and coercion. These scenarios have been signed off by Executive Management. Through this exercise, Colas has sought to expand the scope of its control over risks by moving from a corruption risk mapping approach to a compliance risk mapping approach.

Human rights

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

Since Colas does almost all its business in OECD countries, it has few operations in countries where there is a substantial threat to freedom of association or risks of discrimination or modern slavery. Colas is committed to complying with the fundamental conventions of the International Labour Organization (ILO) and human rights in all countries in which it operates, as well as with specific legislation in various countries such as the Fair Labor Standards Act (FLSC), the Occupational Safety and Health Act (OSHA), the Family Medical Leave Act (FMLA) and child labor laws in the United States and the Canadian Labour Code and Employment Standards Act. To ensure compliance with these fundamental principles, Colas includes risks relating to the duty of vigilance in its procurement policy, in particular training buyers on these topics.

Issues relating to the duty of vigilance are also monitored as part of the ACT corporate plan, focused on delivering on the Colas Group's eight CSR commitments to its stakeholders between now and 2030.

In 2023, the Duty of Vigilance Committee (coordinated by the CSR Department and consisting of members drawn from the Legal, Environment, HPS, Human Resources, Purchasing and Audit Departments) confirmed the following Group-wide list of "duty of vigilance" risks:

- discriminatory practices (based on ethnicity, gender, religion, geographical origin, etc.);
- failure to comply with domestic and international labor regulations (covering local and/or migrant workers);
- unsuitable working conditions and/or accommodation (work equipment; health and safety conditions at construction camps and sites);
- failure to meet minimum levels of pay and employee benefits;
- occupational stress;
- workplace accidents and exposure to occupational diseases;
- security risks (work and travel);
- major industrial risks;
- air pollution and nuisances (dust, VOCs, PAHs, odors, etc.);
- climate change (including adaptation);
- impacts on biodiversity (disruption, accidents resulting in pollution, land take, etc.);
- restrictions on access to water;
- resource scarcity or temporary or permanent restrictions on access to resources (raw materials).

To assess these risks at the operational level within entities, Colas relies on a digital application already used by the Company to coordinate the mapping of risks such as corruption risk (in accordance with France's "Sapin 2" law). In relation to the duty of vigilance, this application includes the framework of standard risks (organized into the categories of health and safety, environment, human rights and fundamental freedoms) and a risk assessment methodology. By setting out a procedure that involves key stakeholders, this approach ensures that in-scope entities adopt a consistent methodology and makes it easier for them to map their own risks. The procedure takes into account both risks arising from the Colas Group's activities and those arising from its value chain.

CSR risk mapping has already been overseen by Executive Management France (covering Colas' activities and value chain) and will continue to be rolled out across Colas Group countries and businesses in 2024.

Assessment of third parties

The procedure for assessing third parties uses a risk-based approach underpinned by risk maps produced by the Group's entities. It consists of three distinct levels of controls.

Level 1 controls are applied by operational teams. They collect identifying information from third parties before entering into any new business relationship and analyze potential risks against a list of risk criteria drawn up by the relevant subsidiary's Legal and Compliance Department. If one or more risks is identified, the assessment is submitted to the relevant subsidiary's Legal and Compliance Department, which carries out an in-depth analysis using a dedicated digital tool (Compliance Catalyst). On completion of this analysis, depending on the number of risk criteria identified, the Legal and Compliance Department may either authorize the new business relationship and assign the third party to a risk category or reject the relationship. Due diligence checks are also carried out by operational staff throughout the life of each business relationship. Operational staff also carry out checks to ensure that tasks inherent in Level 1 operational processes have been performed in accordance with established procedures.

Level 2 controls are undertaken by each Legal and Compliance Department. This department checks that Level 1 assessments have been properly completed. Control procedures and frequencies are determined in accordance with the Level 2 Control Plan. In 2023, Colas reviewed the procedure for Level 2 controls of its corruption prevention measures. This details who is responsible for carrying out controls, what specific checks are to be undertaken for each measure, sampling, timescales, and action plans and corrective measures to be put in place if it is found that verified procedures are not being properly followed. Level 2 controls are presented by each Division to Executive Management at annual Compliance Reviews.

Level 3 controls are undertaken by the Audit Department, which checks that Level 2 controls have been properly applied. The Audit Department also ensures that the control system complies with requirements applicable to Colas.

As of year-end 2023, over 10,000 companies were being monitored using the Compliance Catalyst tool (with an increase in the number of surveys undertaken by international subsidiaries).

1.8.2. Implementing rules of ethical conduct

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

The Bouygues SA Code of Ethics is appended to Colas' rules of procedure, together with the four Compliance programs and the Anti-Corruption Code.

At subsidiaries outside France, which are not governed by French law, employees acknowledge receipt of the compliance documentation.

Awareness of compliance procedures

A compendium of Colas Group compliance procedures was first issued in April 2019, and associated documentation was rolled out via training and communications campaigns at all levels of the Group. These bring together all internal processes rolled out pursuant to the Code of Ethics, Compliance programs, general principles of internal control and associated tools. The compendium has since been updated a number of times to reflect changes in the Group's governance, digitalization of procedures (using the e-Comply tool), feedback from its first four years in use and updates to Bouygues' Compliance Documents.

The Code of Ethics (in particular the whistleblowing procedure) was updated in 2022, while the Anti-Corruption Code replaced the former anti-corruption compliance program. Following consultation with employee representative bodies, these documents were incorporated into the rules of procedure of entities governed by French law. For French subsidiaries, the requirements also call for the application of disciplinary sanctions whenever these rules are not observed; these sanctions vary depending on the nature and severity of the offense committed. At subsidiaries outside France, employees give a written undertaking to respect Compliance Documentation. Failure to do so could lead to disciplinary sanctions.

Communications

A range of compliance-related communication tools are in place:

- Colas Share: Colas Share was set up as a single platform accessible to all Group employees and holding all the relevant materials, including ethics documentation, training materials, whistleblowing procedure, etc.

- Whistleblowing procedure: Colas has put in place a whistleblowing procedure and reporting system based on principles established by Bouygues SA. In 2023, communications went out to all employees in the form of a video from the Chief Executive, a motion design video, and posters on all premises and displayed on screen savers featuring a QR code that linked to the whistleblowing platform. Colas also issued a procedure for managing internal investigations that assists involved parties by specifying their scope of involvement and responsibilities as well as timescales, best practice and potential consequences of an investigation. Between January 1 and December 31, 2023, a total of 135 whistleblowing reports (14 of which were not admissible) were received from all entities.

- Dedicated communications campaign: Since 2020, Colas has been using employees' screen savers to regularly communicate information about procedures to be followed in relation to gifts and invitations.

- In late 2023, the Group held a Compliance Day to consolidate Colas' ethics and compliance culture. The Day included a webinar titled "Let's Talk Compliance", during which the Group's Chief Executive Officer, the Chief Legal, Compliance and Risk Officer, and the Head of the Compliance Unit shared real-life examples and presented the rules and tools available to employees to protect themselves and the Group's activities. Following on from this event, the Group ran an internal communications campaign involving posters, screen saver displays and a film translated into 17 languages on situations carrying a risk of conflict of interest. In the United States, Colas ran a Compliance Week. Every day, employees received an email on a specific issue together with links to relevant videos and articles and a toolbox to help them talk about the issue with employees on the ground.

- Compliance newsletter: In 2023, Colas launched its compliance newsletter. Published twice a year, it covers a range of compliance-related topics and news. It is emailed to all employees and is available on Colas Share Compliance.

- Locally developed tools: In 2022, Colas France rolled out "ethics starter briefings" across its regions. For example, the Northeastern region ran briefings presenting an in-house memo on ethical rules in force within the Group. The same format was used in 2023 covering compliance issues. In another example, Colas developed a motion design film in 2022 for use in France and the DOMOI region to raise employee awareness of ethical rules by simulating a situation between a superintendent and a customer. This type of media was reused in 2023 to raise awareness of issues related to subcontracting.

Training

The "Applied Ethics and Compliance" module was updated in 2023 to include practical exercises linked to recent developments. As of December 2023, 9,803 employees had completed this training in France and abroad.

Rollout of the "Fair Play" training continued throughout 2023. This training, available in 16 languages, is mandatory for all management-level employees and all staff in the Audit, Legal and Purchasing functions. A total of 2,866 employees completed this training in 2023.

In addition to these initiatives, various Colas Group entities have developed their own training programs. For example, Colas Rail held another interactive digital quiz on the subject of compliance programs and applicable procedures, available in eight languages. This quiz was taken by 1,267 executives in 2023. Also in 2023, 143 executives completed "Ethics and Practical Issues" training. Meanwhile, Colas France continued with its "legal tours" addressing practical ethical issues, which were attended by 757 executives in 2023. Colas Inc. (USA) also had 875 employees complete the "Colas Code of Conduct" online training. Lastly, 32 senior executives attended an ethics seminar run by Bouygues SA in 2023.

1.8.3. Applying ethics and compliance procedures

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

Executive commitment

Since 2017, executive commitment has been reflected in the requirement for all executives to sign a personal, written, visible commitment whereby they commit to comply with and enforce all laws applicable within their scope and all documented compliance requirements. This commitment is renewed every two years. Entities have these commitments signed annually. Colas SA launched the campaign to renew these commitments in late 2022 and all ostensible commitments have now been signed. In 2023, the scope of these ostensible agreements was expanded to include sensitive support functions: Legal, Audit and Purchasing.

Internal monitoring and assessment of measures implemented

Since 2020, Colas has rolled out the e-Comply system, which is used to digitize compliance procedures and monitor their proper implementation in real time. Since then, the system has been configured to support a continuous improvement approach. In June 2023, during annual compliance reviews, senior executives from each geographical region presented key indicators to Colas Executive Management highlighting compliance actions delivered (nature and purpose of patronage and sponsorship activities, number of employees trained, number of commitments signed, etc.).

1.8.4. Security of personal data

Colas Group has developed a set of rules designed to protect personal data processed in the course of its business. These rules apply to all Group entities. These rules (procedures, models, support documents to ensure compliance, etc.) are posted on an intranet site dedicated to GDPR (the Colas Share platform), which is available to all employees in both French and English.

SA's Data Protection Officer (DPO) is responsible for overseeing the protection of personal data. The DPO is supported by a legal specialist in personal data protection, who sits within the Group Legal & Compliance Department, as well as a network of local DPOs and Data Privacy Managers (DPMs) to ensure that specific local regulations are followed across Colas' entire global geographical footprint.

The Group has published policies on protecting employee data as well as data protection policies aimed at third parties. Procedures on managing the rights of individuals and data violation have also been issued, as well as model contractual clauses. These tools are posted on an intranet site dedicated to GDPR (the Colas Share platform), which is available to all employees in both French and English. Applications that use personal data are regularly reviewed by DPOs or DPMs in conjunction with the IT Security Department to ensure they comply with regulatory safety principles.

Colas continued to implement its compliance plan in 2023. In practical terms, this involved the following:

- having a specialized consulting firm review the Group's existing procedures;
- drawing up new Group procedures for local entities to adapt and implement;
- creating training materials for Data Privacy Managers to optimize governance ("Data Privacy Managers training") and make business managers aware of day-to-day compliance issues.

Colas continues to run communication campaigns promoting the online GDPR training module for all employees. This module, available in all 18 of Colas' working languages, has formed part of the Group's mandatory training since 2021. As of year-end 2023, a total of 12,165 employees had completed this module since it was first launched. Requests in relation to rights mentioned in GDPR (the right to access personal data, have it corrected or deleted, object to its use, etc.) are gathered centrally via a dedicated email address.

Note on methodology

Employee indicators

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

For 2023, the calculation rules for employee indicators were the following:

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

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

It should be noted that a company acquired during the current fiscal year is included in some of the indicators on the date it was acquired. As a minimum, the following indicators should be provided:

- Worldwide: Workforce by geographical region; workforce by gender; workforce by age bracket; workforce by gender and status; workforce by status.
- France (only if the acquisition takes place in the first half of the fiscal year): Workforce by contract type; average age; average length of service within Bouygues Group; female managers, female executives and female "high-flier" executives.

Indicators requiring gradings (female managers, female executives, female "high-flier" executives) are expected on different dates depending on the desired scope in order to leave enough time for the grading to be rolled out.

For France, these indicators are expected:

- for fiscal year Y if acquired in the first half of year Y;
- for fiscal year Y+1 if acquired in the second half of year Y.

For Worldwide, these indicators are expected:

- for fiscal year Y+1 if acquired in the first half of year Y;
- for fiscal year Y+2 if acquired in the second half of year Y.

Indicators	Scope	Unit	2021	2022	2023
Attracting, developing and retaining talent through managerial excellence					
Workforce					
Workforce by geographic location[1]	World	Number	55,411	57,607	64,685
Total France (Mainland + Overseas)		Number	29,105	29,315	29,514
Europe		Number	9,729	11,595	12,606
Indian Ocean/Africa/Middle East		Number	7,318	7,111	7,809
North America		Number	7,932	8,396	13,424
Asia-Pacific (including New Caledonia)		Number	769	823	941
Central America/South America		Number	558	367	391
Total International		Number	26,306	28,292	35,171
New hires					
External hires by status	World	Number	20,347	21,720	15,062
Total France	France	Number	3,598	3,879	3,880
Managers	France	Number	649	725	706
Office staff, technicians and supervisors	France	Number	998	1,118	1,216
Workers	France	Number	1,951	2,036	1,958
Total International[2]	International, including New Caledonia	Number	16,749	17,841	11,182
Managers	International, including New Caledonia	Number	3,165	4,758	2,364
Workers	International, including New Caledonia	Number	13,584	13,083	8,818
Number of leavers by reason	World	Number	18,769	18,885	14,050
Number of leavers in France (under permanent contracts only)	France (Mainland + Overseas)	Number	3,376	2,884	3,029
Redundancies (all reasons)	France (Mainland + Overseas)	Number	1,210	1,090	1,081
Mutually agreed terminations	France (Mainland + Overseas)	Number	625	257	288
Resignations	France (Mainland + Overseas)	Number	980	1,017	1,005
Other (retirement, death, termination or end of trial period)	France (Mainland + Overseas)	Number	561	520	655
Number of leavers outside France	International, including New Caledonia	Number	14,587	15,300	10,013
Gender equality					
Workforce by gender[3]	World	-	-	-	-
Women (%)	World	%	11.44	12.25	12.53
Men (%)	World	%	88.56	87.75	87.47
Proportion of women in the Group[3]	World	-	-	-	-
Female staff[4] (%)	World	%	22.33	22.98	23.99
Female workers[4] (%)	World	%	2.54	2.92	3.99
Female managers[5] (%)	World	%	18.59	19.97	20.36
Female executives[6] (%)	World	%	11.08	12.97	13.23
Female "high-flier" executives[7] (%)	World	%	12.80	13.33	16.39
Female members of executive bodies[8] (%)	World	%	15.38	13.33	13.33

Indicators	Scope	Unit	2021	2022	2023
Disability					
Number of employees with disabilities (permanent and temporary)	France (Mainland + Overseas)	Number	771	788	762
Number of employees with disabilities recruited (fixed-term and permanent contracts)	France (Mainland + Overseas)	Number	6	17	13
Revenue from companies that employ people with disabilities	France (Mainland + Overseas)	€	1,223,751	1,617,873	1,587,637
Training					
Number of employees trained(9)	World	Number	36,722	40,987(10)	36,771
Number of days of training(9)	World	Number	82,027	107,543(10)	112,932
Number of people under apprenticeship contracts taken on during the year	France (Mainland + Overseas)	Number	604	866	854
Number of people under vocational training contracts taken on during the year	France (Mainland + Overseas)	Number	110	145	114
Reinforcing a culture of health and safety to keep people safe					
Safety					
Frequency rate of employee workplace accidents(11)	World		5.04	4.53	3.89
Severity rate of employee workplace accidents(12)	World		0.40	0.33	0.32
Number of fatal employee accidents(13)	World	Number	1	2	3
Health					
Number of employees recognized as suffering from an occupational illness during the year	World	Number	113	95	135
Number of consecutive lost-time days following workplace accidents	World	Number	43,458	37,549	36,157.5
Absence rate(14)	France (Mainland + Overseas)	%	6.13	6.07	5.47
Number of hours worked	World	Number	108,038,151	113,397,955	111,740,886.05

(1) Workforce as of December 31, which corresponds to all individuals working under an employment contract of any type for a company within the scope of consolidation or receiving direct compensation for their work from said company, excluding those having entered into a business contract (such as a service agreement) with the Company.
(2) Outside France, the total number of employees hired over the year is recognized, regardless of the nature of the employment relationship ("permanent" or "seasonal" employees).
(3) All types of contract (permanent, temporary, seasonal).
(4) A job grade distinction is made between workers (whose work typically involves industrial or manual labor) and staff (office staff, technicians and supervisors).
(5) Managers ("cadres" in French) are identified by grade determined on the basis of Job Code. This position corresponds to Levels 50 and above.
(6) Executives are identified by grade determined on the basis of Job Code. This position corresponds to Levels 70 and above.
(7) High-fliers: employees in 9-Box categories A2 – A3 and B3.
(8) Members of the Strategy Committee and the Executive Management Committee counted as of December 31.
(9) Figures related to training are consolidated in fiscal year Y for the period Y-1.
(10) Including e-learning.
(11) Number of lost-time accidents x 1,000,000/Number of hours worked, not including accidents following sudden health incidents or commuting accidents. These are accidents declared and recognized by the competent authorities, e.g. the CPAM in France.
(12) Number of working days lost x 1,000/Number of hours worked, in line with the regulatory definition of "Severity rate": "Working days lost in the current year are taken into account even if the accident occurred in the three previous calendar years."
(13) The number of fatal accidents relates to the registered workforce and consists of accidents linked to occupational activities resulting in death, including road traffic accidents. Commuting accidents and fatal accidents following sudden health incidents are not included.
(14) Permanent contracts; this indicator measures the number of working days lost due to workplace accidents, commuting accidents, illness or occupational illness, in proportion to the number of calendar days.

Environmental and social indicators

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

The scope includes entities falling within the financial scope, namely:

– fully consolidated companies;

– proportionally consolidated companies.

The following are out of scope starting in 2022:

– equity-accounted associates;

– companies not meeting the financial materiality thresholds.

A summary of consolidation rules applicable from 2022 is given in the table below.

	Financial consolidation	Non-financial consolidation
Exclusive control = full consolidation	100% (between 50% and 100% control)	Application of percentage of integration
Joint control = proportionately consolidated (for economic interest groups in France, partnerships and joint ventures)	Application of percentage of integration	Application of percentage of integration
Significant influence or joint venture = equity method (for partnerships or joint ventures)	Non-consolidated	Non-consolidated

As a result of new rules on the scope of consolidation, all historical values shown have been recalculated using the consolidation rules introduced in 2022.

Changes in scope:

– Sale of Branscome in 2023: 2021 and 2022 values have been adjusted accordingly.

– Integration of Destia in 2023 following its acquisition in fiscal year 2022.

Colas also initiated an overhaul of its non-financial reporting arrangements in 2022. This overhaul forms part of a wide-ranging multi-year action plan that includes a variety of improvements spanning methodology, reporting tools and the content and definition of indicators, with the aim of adapting reporting arrangements in light of current and future sustainability issues and ensuring that reporting reflects the Group's sustainability performance. Definitions and/or calculation methods have thus been changed for some indicators, with the result that they are no longer comparable with historical values. In such cases, the historical values of redefined indicators are not shown in the document.

This overhaul continued in 2023 with the introduction of a partially automated data collection process for non-financial data (CAE [chiffre d'activité économique], production and sales of materials, equipment, and data from the ECHO environmental management system). Where necessary, calculation methods have been updated and historical values from previous campaigns recalculated accordingly.

The methodology used for counting Scope 3a CO_2e emissions since 2022 is now based on physical flows and expenditure data retrieved from Colas' information systems. Historical data stored in these information systems cannot be used to recalculate Scope 3a CO_2e emissions based on this new methodology. Consequently, since comparisons with 2022 are not possible, the following values are not shown for 2021:

– Scope 3a totals

– Values for significant sources within Scope 3a

– Colas' total carbon footprint

In 2023, Scope 3a carbon accounting was refined following work to improve the reliability of input data used in calculations and emission factors compared with the conservative approach to emission factors taken in 2022.

Indicators	Scope	Unit	2021	2022	2023
Offering customers and users solutions that meet the challenges of sustainable development					
Environmentally friendly alternatives					
Number of suggestions made using an eco-comparison tool	World	Nombre	198	325	768
Greenhouse gas emissions avoided thanks to environmentally friendly alternatives selected	World	tCO_2e	4,555	7,261	11,432
Rolling out a low-carbon and biodiversity strategy to preserve the planet					
Recycling					
Surface area of road recycled in place	World	Mm^2	-	3.5	3.6
Surface area of road recycled in place using emulsion***	World	Mm^2	-	2.2	2.7

Indicators	Scope	Unit	2021	2022	2023
Alternative freight					
Number of metric tons of materials transported by rail and/or waterway	World	Mt	6.6	7.3	7.9
Average number of kilometers traveled by rail	World	km	332	294	305
Average number of kilometers traveled by waterways	World	km	538	533	619
Onboard telematics					
Vehicles with onboard telematics (%)	World	%	30	34	35
Machinery with onboard telematics (%)	World	%	35	35	42
Energy and emissions: drying at asphalt plants					
Energy consumption from drying per metric ton of mix sold	World	kWh/t	81.9	80.2	81.8
Greenhouse gas emissions from drying at asphalt mixing plants per metric ton of mix sold	World	kCO_2e/t	19.3	18.9	19.6
Carbon footprint/GHG emissions					
Carbon footprint	World	$MtCO_2e$	-(2)	11.0	10.6
GHG emissions – Scope 1	World	$MtCO_2e$	1.6	1.5	1.5
GHG emissions – Scope 2 – Market-based	World	$MtCO_2e$	0.1	0.1	0.1
GHG emissions – Scope 3a	World	$MtCO_2e$	-(2)	9.5	9.0
Biodiversity					
Percentage of CAE(1) from aggregate production activities taking action to promote biodiversity(3)	World	%	44	28	41
Percentage of CAE(1) from materials production activities taking action to promote biodiversity(3)	World	%	9	6	20
Reducing the impact of our activities to bolster acceptability					
Environmental impacts/environmental checklists					
Percentage of CAE(1) from materials activities managing their environmental impacts (Colas environmental checklist)(3)	World	%	86	80	93
Compliance with environment checklist standards	World	%	-	-	78
Waste management					
Percentage of CAE(1) from materials production activities with a waste management system in place(3)	World	%	-	55	66
Local dialogue					
Percentage of CAE(1) from materials production activities with an organization for local dialogue(3)	World	%	41	29	46
Water stress					
Percentage of CAE(1) from stationary activities located in areas facing extremely high water stress(3)	World	%	6	10	6
Water self-sufficiency rate of areas facing extremely high water stress	World	%	95	94	93
Percentage of CAE(1) generated by stationary activities in areas facing extremely high water stress covered by an action plan(3)	World	%	56	64	41
Fume and dust extraction					
Finishers equipped with a bitumen fume extraction system (%)	World	%	70	80	79
Asphalt planers equipped with a dust extraction system (%)	World	%	64	67	63
Promoting circular economy solutions to preserve natural resources					
Recycling					
Quantity of materials recycled	World	Mt	-(4)	10.3	11.2
Reclaimed asphalt pavement used in hot and cold mixes sold (%)	World	%	16.4	17.8	18.7

(1) CAE (chiffre d'activité économique) = Revenue + Intra-Group transactions and disposals.
(2) The new methodology for counting Scope 3a CO_2e emissions is based on physical flows and expenditure data retrieved from Colas' information systems. Historical data stored in these information systems cannot be used to recalculate Scope 3a CO_2e emissions based on the new methodology.
(3) "Workshop" and "Laboratory" activities were removed from the CeS@R reporting tool (though they are still tracked in ECHO) and CAE data collection was automated in 2023. Consequently, 2021 and 2022 data has been recalculated.
(4) Values for 2021 cannot be recalculated using the new definition of this indicator.

2. INDEPENDENT VERIFIER'S REPORT ON A SELECTION OF NON-FINANCIAL INFORMATION

for the fiscal year ended December 31, 2023

For the attention of Executive Management,

Following the request made to us, we conducted a limited assurance engagement on the non-financial information as detailed in Appendix 1 (hereinafter referred to as the "Information"), in light of the non-financial reporting procedures used by the Entity (hereinafter referred to as the "Guidelines"), for the fiscal year ended on December 31, 2023.

It is also our responsibility to express, at the Entity's request, a reasonable assurance opinion that the information selected by the Entity and identified by the * sign in Appendix 1 (hereinafter the "Selected Information") has been prepared, in all material respects, in accordance with the Guidelines.

Limited assurance conclusion on the Information

Based on the procedures we implemented, as described in the section entitled "Nature and scope of the work", and the supporting documents we have obtained, we did not identify any material misstatements that would call into question the fact that the Information is presented, in all material respects, in accordance with the Guidelines.

Reasonable assurance opinion on the Selected Information

In our opinion, the Entity's Selected Information has been established, in all material respects, in accordance with the Guidelines.

Preparation of the Information by the Entity

The lack of a generally accepted and commonly used framework or established practice on which to base the assessment and measurement of the Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

The Information should therefore be read and understood in relation to the Guidelines, the key elements of which are available in the management report.

Limitations inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used in its preparation.

Responsibility of the Entity

The Entity's role is to:

– select or define appropriate criteria for the preparation of the Information;

– prepare the Information in accordance with the Guidelines;

– develop, implement and maintain such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the Independent Verifier

Our role is to:

- plan and conduct the engagement in order to obtain limited assurance that the Information is free from material misstatement, whether due to fraud or error;
- reach an independent conclusion based on the supporting documents we obtained;
- communicate our conclusion to Executive Management of Colas SA.

As it is our responsibility to reach an independent opinion regarding the Information as prepared by management, we are not allowed to be involved in the preparation of this Information, as this could compromise our independence.

Nonetheless, it is not our role to give an opinion on the entire management report for the fiscal year ended December 31, 2023, and in particular on the Entity's compliance with other applicable legal and regulatory requirements.

Professional standards applied

Our work, as described below, was conducted in accordance with the international standard ISAE 3000 (revised) – Assurance Engagements Other than Audits or Reviews of Historical Information, published by the IAASB (International Auditing and Assurance Standards Board).

Independence and quality control

Our independence is defined by the IESBA Code of Ethics (International Code of Ethics for Professional Accountants (including International Independence Standards)).

In addition, we apply the International Standard on Quality Management 1, which involves establishing and implementing a quality control system including documented policies and procedures to ensure compliance with rules of ethics, professional standards and applicable laws and regulations.

Means and resources

Our verification work mobilized the skills of eight people and took place between September 2023 and February 2024 for a total duration of intervention of twenty-two weeks.

Nature and scope of the work

We planned and carried out our work taking into account the risk of material misstatement of the Information.

We believe that the procedures we conducted, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion:

- We reviewed the business activity of all the entities included in the scope of consolidation.
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate.
- We referred to documentary sources and conducted interviews to corroborate the qualitative information presented in Appendix 1.
- For quantitative information, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of the Information at the level of the sample of representative entities that we selected based on their activity, their contribution to the consolidated Information, their location and a risk analysis. The contributing entities were: Colas Ile-de-France Normandie, Colas USA, Barrett, Colas Rail France and Colas Hungary, which cover between 20% and 26% of the consolidated data for these tests (20% of the workforce, 20% of hours worked, 26% of revenue and 26% of energy consumption).
- We conducted interviews to verify the proper application of the procedures and implemented in-depth tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents.

The procedures implemented as part of a limited assurance engagement are less extensive than those required for a reasonable assurance engagement. Consequently, the level of assurance obtained as part of a limited assurance engagement is significantly lower than the level that would have been obtained for a reasonable assurance engagement.

Nature and scope of the work on the Selected Information

Concerning the Selected Information chosen by the Entity and identified by the * sign in Appendix 1, we carried out work of the same nature as those described in paragraph 1 above for the key performance indicators and other quantitative results that we considered the most important, but in greater depth, in particular with regard to the scope of the tests.

The selected sample thus represents between 37% and 100% of the Selected Information.

We believe that this work allows us to express a reasonable assurance on the Selected Information.

Paris-La Défense, March 8, 2024

The Independent Verifier

French original signed by
EY & Associés

Eric Mugnier
Sustainable Development Partner

This is a free translation into English of the Independent Verifier's report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

ANNEXE 1 – VERIFIED INFORMATION

Employee Information

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Frequency rate of employee lost-time accidents* Severity rate of employee work-related accidents Number of fatal employee accidents* Total headcount as of December 31, 2023 Female executives* (%) Female members of executive bodies* (%) Female managers* (%) Female "high-flier" executives* (%) New hires in technical roles* (%)	Level of progress on the "Reinforce a culture of health and safety to keep people safe" roadmap Level of progress on the "Attract, develop and retain talent through managerial excellence" roadmap

Environmental Information

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Percentage (on a CAE basis) of materials activities managing their environmental impacts Total quantity of materials recycled Reclaimed asphalt pavement used in hot and cold mixes sold* (%) Total energy consumption and total energy costs Greenhouse gas (GHG) emissions (Scopes 1 and 2)* Greenhouse gas (GHG) emissions (Scope 3a) Greenhouse gas (GHG) emissions from drying at asphalt mixing plants per metric ton of mix produced Percentage (on a CAE basis) of materials production activities that take action to promote biodiversity	Level of progress on the "Roll out a low-carbon and biodiversity strategy to preserve the planet" roadmap Level of progress on the "Reduce the impact of our activities to make them more acceptable" roadmap Level of progress on the "Promote circular economy solutions to preserve natural resources" roadmap

Societal Information

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Percentage (on a CAE basis) of materials production activities with an organization for local dialogue.	Level of progress on the "Build a responsible supply chain rooted in sustainable performance" roadmap Level of progress on the "Reduce the impact of our activities to make them more acceptable" roadmap

3
FINANCIAL STATEMENTS

Year ended December 31, 2023

Consolidated financial statements of the Colas Group

1. Consolidated balance sheet

(€ million)	Notes	12/31/2023	12/31/2022
Property, plant and equipment	3.2.1	2,311	2,359
Right of use of leased assets	3.2.2	756	632
Intangible assets	3.2.3	214	219
Goodwill	3.2.4	922	940
Joint ventures and associates	3.2.6	395	397
Other non-current financial assets	3.2.5	112	114
Deferred tax assets	7	157	141
Non-current assets		**4,867**	**4,802**
Inventories	4.1	788	868
Advances and down-payments made on orders	4.1	54	71
Trade receivables	4.1	2,646	2,728
Customer contract assets	4.1/4.2	916	923
Current tax assets	4.1	47	47
Other current receivables and prepaid expenses	4.1	771	784
Cash and cash equivalents	4.3	1,050	471
Financial instruments – Hedging of debt	18	6	8
Other current financial assets	18	1	7
Current assets		**6,279**	**5,907**
Held-for-sale assets and operations			92
TOTAL ASSETS		**11,146**	**10,801**
Share capital		49	49
Share premium and reserves		2,776	2,751
Translation reserve		39	73
Treasury shares		(2)	(2)
Net profit/(loss) attributable to the Group		316	301
Shareholders' equity attributable to the Group		**3,178**	**3,172**
Non-controlling interests		20	20
Shareholders' equity	**5**	**3,198**	**3,192**
Non-current debt	8	191	181
Non-current lease obligations	10	703	537
Non-current provisions	6.1	692	678
Deferred tax liabilities	7	127	144
Non-current liabilities		**1,713**	**1,540**
Current debt	8	57	40
Current lease obligations	10	168	143
Current tax liabilities	11.1	131	117
Trade payables	11.1	2,394	2,268
Customer contract liabilities	11.2	1,272	1,032
Current provisions	6.2/11.1	489	411
Other current liabilities	11.1	1,524	1,459
Overdrafts and short-term bank borrowings	8	183	548
Financial instruments – Hedging of debt	18	2	2
Other current financial liabilities	18	15	5
Current liabilities		**6,235**	**6,025**
Liabilities related to held-for-sale operations			44
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,146**	**10,801**
Net surplus cash/(net debt)	9	623	(292)

2. Consolidated income statement

(€ million)	Notes	12/31/2023	12/31/2022
Sales[(1)]	**12**	**16,015**	**15,529**
Purchases used in production		(8,008)	(8,068)
Personnel costs		(4,175)	(3,987)
External charges		(2,974)	(2,896)
Taxes other than income tax		(143)	(157)
Net charges for depreciation, amortization and impairment losses on property, plant & equipment and intangible assets	4.4	(360)	(392)
Net amortization and impairment expense on right of use of leased assets	4.4	(173)	(148)
Charges to provisions and other impairment losses, net of reversals due to utilization	4.4	(213)	(121)
Change in production inventories		(19)	24
Other income from operations[(2)]	13.1	930	915
Other expenses on operations	13.1	(346)	(239)
Current operating profit/(loss)		**534**	**460**
Other operating income	13.2	2	-
Other operating expenses	13.2	(12)	-
Operating profit/(loss)	**13.2**	**524**	**460**
Financial income		21	12
Financial expenses		(79)	(59)
Income from net surplus cash/(cost of net debt)	**14.1**	**(58)**	**(47)**
Interest expense on lease obligations		(29)	(19)
Other financial income	14.2	12	12
Other financial expenses	14.2	(22)	(13)
Income tax	15	(169)	(142)
Share of net profits/(losses) of joint ventures and associates	3.2.6	59	49
Net profit/(loss) from continuing operations		**317**	**300**
Net profit/(loss) from discontinued operations			
NET PROFIT/(LOSS)		**317**	**300**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP		**316**	**301**
Net profit/(loss) attributable to non-controlling interests		1.00	(1)
(1) of which sales generated outside France		*9,649*	*9,289*
(2) of which reversals of unused provisions and impairment	*4.4*	*118*	*170*

3. Consolidated statement of recognized income and expense

(€ million)	12/31/2023	12/31/2022
Net profit/(loss)	**317**	**300**
Items not reclassifiable to profit or loss		
Actuarial gains/(losses) on post-employment benefits	(34)	139
Net tax effect of items not reclassifiable to profit or loss	9	(31)
Items reclassifiable to profit or loss		
Translation adjustments	(25)	10
Remeasurement of hedging assets	(9)	16
Net tax effect of items reclassifiable to profit or loss	1	(2)
Share of reclassifiable income and expense of joint ventures a nd associates	(11)	10
Total income and expense recognized in equity	**(69)**	**142**
TOTAL RECOGNIZED INCOME AND EXPENSE	**248**	**442**
Attributable to the Group	246	443
Attributable to non-controlling interests	2	(1)

4. Consolidated statement of changes in shareholders' equity

(€ million)	Share capital Share premium	Reserves related to capital/ retained earnings	Consolidated reserves and profit/(loss) for period	Treasury shares	Items recognized directly in equity	**Total attributable to the Group**	Non-controlling interests	**Total**
POSITION AT 12/31/2021	**455**	**958**	**1,551**	**(2)**	**(9)**	**2,953**	**25**	**2,978**
Movements during 2022								
Net profit/(loss)			301			301	(1)	300
Income and expense recognized directly in equity[1]					142	142		142
Total recognized income and expense	**-**	**-**	**301**	**-**	**142**	**443**	**(1)**	**442**
Capital and reserves transactions, net		(69)	69			-		-
Dividend paid			(224)			(224)	(4)	(227)
POSITION AT 12/31/2022	**455**	**889**	**1,697**	**(2)**	**133**	**3,172**	**20**	**3,192**
Movements during 2023								
Net profit/(loss)			316			316	1	317
Income and expense recognized directly in equity[1]					**(70)**	**(70)**	**1**	**(69)**
Total recognized income and expense	-	-	316	-	(70)	246	2	248
Capital and reserves transactions, net		130	(130)			-		-
Acquisitions/disposals of treasury shares						-		-
Acquisitions/disposals without change of control								
Share-based payment						-		-
Other transactions (changes in scope of consolidation, other transactions with shareholders and other items)						-	-	-
Dividend paid			(240)			(240)	(2)	(242)
POSITION AT 12/31/2023	**455**	**1,019**	**1,642**	**(2)**	**63**	**3,178**	**20**	**3,198**

(1) Change in translation reserve:

(€ million)	**Group**	Non-controlling interests	**Total**
Companies controlled by Colas	(26)	1	(25)
Joint ventures and associates	(9)	-	(9)
Total	**(35)**	**1**	**(34)**

5. Consolidated cash flow statement

(€ million)	Notes	12/31/2023	12/31/2022
Net profit/(loss) from continuing operations		317	300
Adjustments:			
Share of net profits/(losses) of joint ventures and associates, net of dividends received		(8)	(8)
Dividends from non-consolidated companies		(2)	(2)
Net charges to/(reversals of) depreciation, amortization and impairment of property, plant and equipment and intangible assets and non-current provisions		381	347
Net charges to amortization and impairment expense and other adjustments to right of use of leased assets		173	148
Gains and losses on asset disposals		(162)	(150)
Income taxes, including uncertain tax positions		169	142
Income taxes paid		(178)	(159)
Other non-cash income and expenses		1	(2)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid		**691**	**616**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		87	66
Changes in working capital requirements related to operating activities (including current impairment and provisions)	22.2	729	(251)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES (A)		**1,507**	**431**
Purchase price of property, plant and equipment and intangible assets	3.1	(387)	(390)
Proceeds from disposals of property, plant and equipment and intangible assets	3.1	332	212
Net liabilities related to property, plant and equipment and intangible assets		(42)	7
Purchase price of non-consolidated companies and other investments		(1)	(2)
Proceeds from disposals of non-consolidated companies and other investments		4	2
Purchase price of consolidated activities		(38)	(128)
Proceeds from disposals of consolidated activities		52	29
Net liabilities related to consolidated activities	22.2	(7)	4
Other changes in scope of consolidation: Cash of acquired or divested companies	22.2	(1)	4
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		(3)	23
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES (B)		**(91)**	**(239)**
Dividends paid to shareholders of the parent company		(240)	(224)
Dividends paid by consolidated companies to non-controlling interests		(2)	(4)
Change in current and non-current debt		30	23
Repayment of lease obligations		(167)	(151)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(87)	(66)
Other cash flows related to financing activities		(1)	-
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES (C)		**(467)**	**(422)**
Effect of foreign exchange fluctuations (d)		(5)	(11)
CHANGE IN NET CASH POSITION (A+B+C+D)		**944**	**(241)**
Net cash position at start of period		**(77)**	**164**
Net cash flows		944	(241)
NET CASH POSITION AT END OF PERIOD		**867**	**(77)**

6. Notes to the consolidated financial statements

NOTE 1 – SIGNIFICANT EVENTS OF THE YEAR

1.1. Scope of consolidation as of December 31, 2023

As of December 31, 2023, 502 entities were consolidated by Colas SA, compared with 502 as of December 31, 2022.

Number of consolidated entities	2023	2022
Companies controlled by Colas	316	319
Joint operations	55	53
Joint ventures and associates	131	130
TOTAL	**502**	**502**

A list of the main entities in the Group is provided in Note 25.

1.2. Significant events

1.2.1. Significant events of 2023

Public tender offer and squeeze-out for Colas shares
On September 20, 2023, following a Board meeting held on September 17, 2023, Bouygues filed with the Autorité des Marchés Financiers (AMF) a draft public tender offer followed by a squeeze-out for the Colas shares not already held by Bouygues (except for treasury shares) at a price of €175 per share (collectively the "Offer"). The price of €175 per Colas share, representing a total amount of approximately €180 million and payable exclusively in cash, builds in the following levels of premium:

- 54.2% to the quoted market price of Colas shares at close of business on September 15, 2023; and
- 52.2%, 50.1% and 50.4% to the volume-weighted average price of Colas shares on the last 60, 120 and 240 trading days respectively preceding announcement of the Offer.

The transaction is intended to simplify the ownership structure of Colas and of the Bouygues group.

On November 20, 2023, the AMF issued its decision validating the draft public tender offer.

The public tender offer period ran from November 22, 2023 through December 5, 2023, and enabled Bouygues to acquire 595,828 Colas shares.

The squeeze-out took place on December 22, 2023, enabling Bouygues to acquire the remaining 433,281 shares.

Following completion of the squeeze-out, the Bouygues group owns 100% of the capital of Colas (except for treasury shares), and Colas shares have been withdrawn from listing.

Divestment of Branscome
On February 25, 2023, Colas divested its subsidiary Branscome, the assets and liabilities of which had been reclassified as held-for-sale as of December 31, 2022. The impact of the divestment is recognized within current operating profit.

Sale and leaseback in the United States
On July 13, 2023, Colas entered into a sale-and-leaseback transaction relating to assets in the United States, the impact of which is recognized within current operating profit.

Other sale and leaseback transactions
The Group has divested 74 sites in France for €139 million. Those divestments were recognized as sales within the meaning of IFRS 15. Some of the sites were subsequently leased back, and consequently part of the gain on disposal has been reversed out in accordance with IFRS 16.

1.2.2 Significant events of 2022

On February 24, 2022, a military conflict broke out between Russia and Ukraine. Because Colas has only very limited operations in those two countries it is not directly impacted by the ongoing conflict. However, Colas continues to pay very close attention to macro-economic trends and to the direct and indirect repercussions for the Group's operations and profits.

Acquisition of Hasselmann
On August 9, 2022, Colas Rail signed an agreement to acquire a 100% equity interest in the Hasselmann group, which is based in Thuringia and specializes in the construction of rail track and infrastructures. Hasselmann is a family-owned group, made up of three companies: Hasselmann GmbH (rail infrastructure), NTG GmbH (rail track), and LGM Logistik GmbH (rail safety). It currently employs nearly 300 people, and generated sales of €70 million in 2021. The transaction closed on October 4, 2022, after clearance had been obtained from the competition authorities. As of the date control was obtained, and pending completion of the purchase price allocation, provisional goodwill of €46 million was recognized, and the impact on net debt was €63 million. On completion of the twelve-month purchase price allocation period, that provisional goodwill became final; it amounted to €44 million as of December 31, 2023 (see Note 3.2.4).

Sale and leaseback transactions
The Group divested 39 sites in France for €70 million. Those divestments were recognized as sales within the meaning of IFRS 15. Some of the sites were subsequently leased back, and consequently part of the gain on disposal has been reversed out in accordance with IFRS 16.

1.3. Significant events and changes in scope of consolidation subsequent to December 31, 2023

The Group is not aware of any significant events subsequent to the end of the reporting period.

NOTE 2 – GROUP ACCOUNTING POLICIES

2.1. Activities

Colas is a world leader in the construction and maintenance of transport infrastructure.

Roads represent approximately 90% of total operations, including:

- the construction and maintenance of roads, motorways, airport runways, port facilities, industrial and logistics platforms, urban design features, reserved-lane public transport systems (tramways), recreational facilities, but also road safety and signaling, traffic management, and the manufacture, installation and maintenance of safety equipment. Such projects may be carried out through infrastructure concession and management activities including motorways, airports, urban road networks and urban public transport systems;
- civil engineering (small and large-scale infrastructure projects) and building (new build, renovation and demolition/deconstruction) activities, carried on by roads subsidiaries in certain regions;

- upstream of construction: production and recycling of construction materials (aggregates, emulsions and binders, asphalt mixes, ready-mix concrete, bitumen), built on a dense international network of quarries, emulsion plants, asphalt plants and concrete plants.

Colas also operates in other sectors, which account for approximately 10% of total operations:

- railways, including design and engineering on complex major projects, and the construction, renewal and maintenance of railway infrastructure;

- water and energy transport, which includes the laying and maintenance of pipelines and ducting.

2.2. Basis of preparation of the financial statements

The consolidated financial statements of the Colas group include the financial statements of Colas SA and its subsidiaries.

They were closed off by the Board of Directors on February 21, 2024, and will be submitted for approval by the forthcoming Annual General Meeting of the shareholders on April 23, 2024.

The consolidated financial statements for the year ended December 31, 2023 were prepared in millions of euros (unless otherwise mentioned) and in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives with the financial statements for the year ended December 31, 2022.

2.2.1. Changes in accounting standards, rules and policies

The Colas group applied the same standards, interpretations and accounting policies for the year ended December 31, 2023 as were applied in its consolidated financial statements for the year ended December 31, 2022, except for changes required to meet new IFRS requirements applicable in 2023 (see below).

Principal amendments effective within the European Union and applicable in 2023

Amendments to IAS 12
On May 7, 2021, the IASB issued an amendment to IAS 12 on the initial recognition of deferred taxation relating to assets and liabilities arising from a single transaction. The amendment applies to transactions in which an entity recognizes both an asset and a liability, such as when accounting for a lease or a decommissioning obligation, and was endorsed by the European Union on August 11, 2022. There was no impact on the presentation of the consolidated financial statements, and no restatement of opening shareholders' equity.

Global Minimum Tax (Pillar Two)
The Bouygues group is affected by the Global Minimum Tax, and has initiated a project to compile the data needed to quantify the impact. However, the impact at Colas group level in terms of income taxes paid is expected to be immaterial (estimated at €1 million in 2023).

The non-recognition exception for deferred taxes arising under Pillar 2, as permitted under the amendment to IAS 12 ("Income Taxes") approved by the IASB in May 2023, is applied by Colas.

IFRS 17 - Insurance Contracts
On May 18, 2017, the IASB issued a new standard on the recognition, measurement and presentation of insurance contracts, intended to replace IFRS 4. The new standard, which was endorsed by the European Union on September 8, 2022, has an immaterial impact on the Colas group.

Disclosure of Accounting Policies - Amendment to IAS 1
On August 1, 2019, the IASB issued an amendment to IAS 1, requiring entities to disclose material accounting policy information rather than significant accounting policies. The amendment was endorsed by the European Union on March 2, 2022, and has an immaterial impact on the Colas group.

Definition of Accounting Estimates – Amendment to IAS 8
On February 12, 2021, the IASB issued an amendment to IAS 8 which clarified the definition of accounting estimates, but without altering the concept. The amendment was endorsed by the European Union on March 2, 2022, and has an immaterial impact on the Colas group.

The Group has not early adopted the IFRS amendments applicable in 2024 as mentioned below.

New IFRS standards and interpretations effective within the European Union and mandatorily applicable from January 1, 2024

Lease Liability in a Sale and Leaseback – Amendment to IFRS 16
On September 22, 2022 the IASB issued an amendment to IFRS 16 on the initial recognition and subsequent measurement of the right-to-use asset and lease liability in a sale and leaseback. The amendment was endorsed by the European Union on November 20, 2023.

New IFRS standards and interpretations not endorsed by the European Union and mandatorily applicable from January 1, 2024

Classification of Liabilities as Current or Non-Current – Amendments to IAS 1
Between January 2020 and October 2022, the IASB issued amendments to IAS 1 relating to classification of liabilities as current or non-current, in cases where the liability is subject to covenants or is a convertible debt instrument.

Supplier Finance Arrangements – Amendment to IAS 7 and IFRS 7
On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7 relating to disclosures on the effects of supplier finance arrangements (such as reverse factoring) on an entity's financial position, cash flows and exposure to liquidity risk.
An analysis of the impact of those amendments is ongoing; at this stage, the impact on the Colas group would appear to be immaterial.

Pension reform in France
On April 15, 2023, pension reforms that raise the statutory retirement age in France to 64 were published in the Official Journal. The impact of the reforms is estimated at €1.4 million, and was recognized within "Other operating income" in the consolidated income statement (see Note 13).

2.2.2. Exercise of judgement and use of estimates

In preparing consolidated financial statements to comply with IFRS standards and interpretations, the Group uses estimates and assumptions which may affect the amounts reported for assets, liabilities and contingent liabilities at the end of the reporting period, and the amounts of income and expenses reported for the period.

These estimates and assumptions have been applied consistently on the basis of past experience and of information available as of the date the financial statements were closed off, and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may subsequently differ materially from these estimates.

The main items involved are the impairment testing of goodwill and equity investments (see Note 3.2.4); the measurement of identifiable assets and liabilities in a purchase price allocation; employee benefits (lump-sum retirement benefits, pensions, etc.); the fair value of unlisted financial instruments; the recoverability of deferred tax assets, especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.); review of contracts to determine whether they contain a lease; factors taken into account when restating leases (lease terms and incremental borrowing rates, as described respectively in Notes 2.7.2. and Note 2.11.2); and end-of-contract margins on construction contracts (see Note 2.13.1).

Group management exercises judgement in the application of IFRS to certain transactions, in particular in (i) determining the level of control exercised over certain entities; (ii) identifying whether a contract is a lease; (iii) analyzing contingent consideration in business combinations; and (iv) identifying separate performance obligations for revenue recognition purposes.

Where no standard or interpretation applies to a specific transaction, Group management adopts accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the consolidated financial statements

- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions; and
- are neutral, prudent, and complete in all material respects.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements. In preparing the financial statements, the Group has analyzed the potential impacts of climate change as of the present time. That analysis did not call into question the useful lives and residual or recoverable amounts of non-financial assets such as property, plant and equipment, intangible assets, goodwill, or rights of use of leased assets.

2.2.3. Held-for-sale assets and operations and discontinued operations

A non-current asset, or a group of directly-associated assets and liabilities, is regarded as being held for sale if its carrying amount will be recovered primarily through a sale rather than through continuing use. For this to be the case, the asset must be available for immediate sale, and its sale must be highly probable. Such held-for-sale assets or asset groups are measured at the lower of the carrying amount or the estimated selling price less costs to sell.

A discontinued operation is one that is material to the Group (having been treated as a cash generating unit) and that has either been divested or has been classified as a held-for-sale asset. Income statement and cash flow statement information about discontinued operations is reported in separate line items in the consolidated financial statements for all periods presented.

2.2.4. Climate-related issues

Moving towards carbon neutrality is at the heart of the Colas strategy. The Colas group has committed to cutting its carbon emissions by 30% by 2030. That commitment has been validated by the SBTi.

2.3. Consolidation methods

2.3.1. Companies controlled by Colas

Companies over which Colas exercises control are consolidated.

2.3.2. Jointly-controlled companies

A joint venture or joint operation derives from a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. In the case of joint operations (which give each party direct rights over the assets and obligations for the liabilities), the assets, liabilities, income and expenses of the joint operation are consolidated in accordance with the interests held in the joint operation. Joint ventures, which give the parties rights over the net assets, are accounted for using the equity method.

2.3.3. Companies over which Colas exercises significant influence

An associate is a company over which Colas exercises significant influence without exercising control. Significant influence is presumed to exist where Colas directly or indirectly holds at least 20% of the entity's voting rights.

The net profit or loss and the assets and liabilities of such entities are accounted for by the equity method.

2.4. Business combinations

Since January 1, 2010, business combinations have been accounted for in accordance with the revised IFRS 3.

In a business combination, goodwill at the acquisition date represents (i) the sum total of the consideration transferred (i.e. acquisition price) and non-controlling interests minus (ii) the net amount recognized (usually at fair value) for the identifiable assets acquired and liabilities assumed, adjusted to reflect the fair value remeasurement of any previously-acquired equity interest. The revised IFRS 3 allows entities to elect one of two methods of accounting for non-controlling interests in each business combination:

- at fair value (full goodwill method), i.e. the non-controlling interests are allocated their share of goodwill;
- at the non-controlling interests' proportionate share of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the non-controlling interests.

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an arm's length transaction between market participants as of the date of measurement.

Goodwill is allocated to the Cash Generating Unit (CGU) benefiting from the business combination or to the group of CGUs at the level of which return on investment is measured.

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the non-controlling interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Amortization of intangible assets recognized in a purchase price allocation is charged against current operating profit.

Negative goodwill (i.e. gain from a bargain purchase) is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described in the sections on impairment testing in Note 2.7.4 ("Impairment testing of non-current assets, joint ventures and associates), in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

In accordance with the revised IFRS 3, the previously-held equity interest in a step acquisition is remeasured at fair value through profit or loss on the date when control is obtained. In the event of loss of control with a retained equity interest, that retained interest is remeasured at fair value; the gain or loss on remeasurement is recognized in profit or loss, along with the gain or loss arising on the disposal.

In the event of a change in percentage interest with no effect on control, the difference between the consideration transferred and the carrying amount of the non-controlling interest is recognized directly in equity attributable to the Group. Consequently, no additional goodwill is recognized.

All acquisition-related costs are recognized as an expense within operating profit for the period (as non-current items in "Other operating expenses" if they are significant in size).

In the event of a partial divestment of the component operations of a CGU, the Group usually allocates the goodwill in proportion to the value of the divested operation relative to the value of the CGU as measured at the date of divestment, unless it can be demonstrated that another method better reflects the goodwill of the divested operation; this policy complies with paragraph 86 of IAS 36.

Goodwill recognized prior to January 1, 2004 continues to be measured using the partial fair value method. Non-controlling interests are measured on the basis of the carrying amount of the relevant items as shown in the balance sheet of the acquired entity.

2.5. Foreign currency translation

2.5.1. Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate. Translation differences are recognized in profit or loss for the period. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

2.5.2. Financial statements of entities with a functional currency other than the euro

All assets and liabilities of consolidated entities with a functional currency other than the euro are translated at the closing exchange rate. Income and expenses are translated at the average exchange rate for the period. Translation differences arising from this treatment, and arising from the retranslation of a subsidiary's opening shareholders' equity at the closing exchange rate, are presented within "Change in translation reserve" in the consolidated statement of changes in shareholders' equity. Translation differences arising on the net investment in foreign subsidiaries and associates are recognized in shareholders' equity.

2.6. Assessment of income taxes

Deferred taxation is recognized on differences between the carrying amount and tax base of assets or liabilities, and arises as a result of:

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from accelerated tax depreciation that is liable to tax in future periods;
  - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognized to the extent that it is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at the end of each reporting period;
- tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted in the relevant country at the end of the reporting period. As of December 31, 2023, the temporary differences and tax losses available for carry-forward of French entities were measured at the enacted rate of 25.83% for 2023 and future years.

Deferred taxes are not discounted, and are reported in non-current assets and liabilities.

2.7. Non-current assets

2.7.1. Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognized on a straight line basis over the estimated useful life of the asset.

Principal useful lives applied

Land	
Non-operating buildings	20 to 40 years
Industrial buildings	10 to 20 years
Plant, equipment and tooling	5 to 20 years
Other property, plant and equipment (vehicles and office equipment)	3 to 10 years

Undeveloped and built-on land is not depreciated, but may be written down by an impairment allowance if required.
Land containing mineral deposits is depreciated on the basis of the rate of depletion, up to a maximum of 40 years.
Accumulated depreciation computed on this basis may not be lower than straight-line depreciation.

If an item of property, plant and equipment requires a long period of preparation before it can be used or sold, borrowing costs directly attributable to its acquisition or construction are capitalized as part of the acquisition cost.

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognized in the income statement under "Other income and expenses from operations" unless they meet the criteria for classification within "Other operating income and expenses" (see Note 2.13.2).

Depreciation periods are reviewed annually, and may be adjusted if expected use differs from previous estimates.

Grants received

Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

2.7.2. Right of use of leased assets

IFRS 16 defines the right of use under a lease as an asset that represents a lessee's right to use an underlying asset for the lease term.

Right-of-use assets relate mainly to property (office leases). In most cases, the lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

This right of use is recognized by the Group on the commencement date of the lease (the date on which the asset is made available). It is measured at cost, which includes:

- the initial amount of the lease obligation (see Note 2.11.2);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;
- an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.

The right of use asset is amortized on a straight line basis over the lease term. It is written down by means of an impairment allowance if there is an indication that it may have become impaired.

The lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

Within the Colas group, rights of use relate mainly to property leases and equipment leases.

Where the Group enters into sale-and-leaseback transactions, involving a sale (within the meaning of IFRS 15) of an asset to a third party followed by leasing the asset back as lessee, the right of use asset (representing the Group's retained right of use) is calculated based on the proportion of the prior carrying amount of the transferred asset. That proportion is determined by reference to the ratio of the lease obligations to the selling price of the asset. Similarly, the gain on disposal is recognized only to the extent of the rights effectively transferred to the acquirer/lessor.

2.7.3. Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:

- if it is separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled if the entity has the power to obtain the future economic benefits from that asset and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to annual impairment testing and are reviewed at the end of each reporting period to ensure that their useful lives are still indefinite.

Intangible assets comprise:

- quarry operating rights;
- brands and customer relationships recognized as part of a purchase price allocation;
- development expenses:
  - Development expenses are capitalized if the IAS 38 criteria are met (i.e. if they are expected to generate future economic benefits and their cost can be reliably measured).
  - In accordance with IFRS, incorporation and research expenses are expensed as incurred.
- concessions, patents and similar rights.

2.7.4. Impairment testing of non-current assets, joint ventures and associates

Impairment tests are carried out on the carrying amount of non-current assets and investments in joint ventures and associates if there is objective evidence that they may have become impaired.

The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least at the end of each financial year.

Impairment testing method used:

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the CGU to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment.

The groups of CGUs used within Colas reflect the Group's organizational structure.

- Roads France/OD-IO/Corporate: consists of the Roads business and Road Safety & Signaling activities in France, the French overseas departments and the Indian Ocean; and Colas corporate headquarters;
- Roads EMEA (Europe-Middle East-Africa) CGU: consists of the Roads business in Europe (excluding France), the Middle East, Africa, and Latin America;
- Roads United States CGU: consists of the Roads business in the United States;

- Roads Canada CGU: consists of the Roads business in Canada;
- Roads Asia-Pacific CGU: consists of the Roads business in Asia and Oceania;
- Railways CGU: consists of the Railways business, in France and internationally;
- Water & Energy Transport CGU: consists of the Water & Energy Transport business, in France and internationally.

The recoverable amount is determined used the discounted cash flow (DCF) method, applied as follows:

- The cash flows are derived from the three-year business plan prepared by the CGU's management and presented to the Colas Board of Directors.
- The discount rate is determined on the basis of a weighted average cost of capital, in the case of equity by reference to a panel of comparable companies, and in the case of debt by applying two alternative capital structure scenarios: 1/3 debt – 2/3 equity (scenario 1); 2/3 debt – 1/3 equity (scenario 2).
- The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows after lease expenses and a perpetual growth rate.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet, after including right of use assets and deducting lease obligations:

- If the recoverable amount exceeds the carrying amount in both scenarios, sensitivity to each of the parameters is analyzed on the basis of the two scenarios.
- If the recoverable amount is less than the carrying amount in either or both of the scenarios a more detailed analysis is performed to determine the recoverable amount, for example by using an independent valuer.

If the carrying amount in the consolidated balance sheet is greater than the recoverable amount, an impairment loss is recognized. Any such losses are allocated in the first instance to any goodwill carried in the balance sheet, and may not be subsequently reversed.

The method used to take account of IFRS 16 in impairment testing (as described above) is an accepted simplified approach.

Impairment testing of investments in joint ventures and associates:
Because goodwill included in the carrying amount of a joint venture or associate is not reported separately, it is not tested separately for impairment, in line with IAS 36. An impairment loss is recognized if the carrying amount of the investment exceeds its recoverable amount; this loss is charged against the carrying amount of the investment, and may be reversed.

2.7.5. Other non-current financial assets

Other non-current financial assets include loans and receivables (including advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those over which the Group exercises neither control nor significant influence).

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken either to shareholders' equity in "Items not reclassifiable to profit or loss" or to the income statement in "Other financial income" or "Other financial expenses", depending on the treatment elected by the Group for each individual investment.

Fair value is the market price for listed investments, and estimated value in use for unlisted investments. Value in use is determined using the most appropriate financial criteria for each individual investment.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortized cost, determined using the effective interest method.

In the case of floating-rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

In accordance with IFRS 9 an impairment allowance is recognized on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss (see Note 3.2.6).

Concession arrangements and Public-Private Partnership (PPP) contracts
The Colas group holds equity interests in entities that have entered into concession arrangements or PPP contracts. These contracts, which are accounted for in accordance with IFRIC 12, are assessed on a case by case basis.

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortized cost using the method defined in IFRS 9.

Consequently, the receivable represents the fair value of the activity undertaken, plus cumulative interest calculated using the effective interest method, minus payments received from the grantor.

2.8. Current assets

2.8.1. Inventories

Inventories are measured at the lower of cost or net realizable value.

Cost includes all acquisition and transformation costs.
Acquisition cost includes the purchase price, customs duties and other non-recoverable taxes and duties, and transport and handling costs incurred to bring inventories to their current location.
Transformation cost includes all direct and indirect costs incurred to transform raw materials into finished goods.

On subsequent measurement, cost is calculated using the first in first out method or the weighted average cost method, depending on the nature of the inventory.
Net realizable value is the estimated selling price of the product less the estimated costs to complete and sell it.

Where the realizable value of inventory is lower than cost, the necessary provision for impairment is recognized.

2.8.2. Property development programs

None.

2.8.3. Programs and broadcasting rights

None.

2.8.4. Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

For contracts accounted for using the percentage of completion method, trade receivables include invoices and statements issued as works are executed or services provided, and accepted by the project owner.

2.8.5. Customer contract assets

Customer contract assets represent revenue recognized on a percentage of completion basis where billing is contingent on the supply of other goods and services and/or on the attainment of contractually agreed milestones.

2.8.6. Other current receivables and prepaid expenses

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

2.9. Financial instruments

Some Group entities use hedging instruments to limit the impact on profit or loss of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

2.9.1. Risks to which the Group is exposed

2.9.1.1. Foreign exchange risk

The Group has low exposure to foreign exchange risk in its ordinary commercial operations, because a significant proportion of consolidated revenue (50% in 2023) is generated within the euro zone, and the subsidiaries generate only a very small proportion of their revenue from exports.
In most cases, international revenue is generated by local subsidiaries that invoice and incur expenditure in the currency of the country where the works are carried out. That means that fluctuations in exchange rates have no material impact on the Group's revenue and profits apart from currency translation effects arising from fluctuations in average exchange rates. Because more than a quarter of revenue is generated in North America, the Group is sensitive to fluctuations in the exchange rate of the US and Canadian dollars against the euro.

Borrowings and deposits are pooled in the local currency of each country (euro, US dollar, Canadian dollar, etc).

The Group pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

2.9.1.2. Interest rate risk

Long-term debt is hedged at fixed rates, and consequently is not sensitive to interest rate risk. Short-term debt is at floating rate, but is debt is partly matched by surplus cash invested at floating rates. Interest rate hedges are contracted on an as-needed basis.

The Group's exposure to interest rate risk is therefore limited to short-term debt.

2.9.1.3. Commodities risk

The Group is sensitive to fluctuations in commodity prices (especially petroleum-based products in the Roads business); there is also some exposure to the prices of certain metals in the Road Safety & Signaling and Railway businesses.

2.9.2. Principles applied to all hedging instruments

Instruments used for hedging purposes are restricted to products such as:

- for hedging foreign exchange risk: forward currency purchases and sales, currency swaps, cross-currency swaps and currency options;
- for hedging interest rate risk: interest rate swaps, future rate agreements, purchases of caps and collars, and interest rate options;
- for hedging commodities risk: forward commodity purchases and sales, commodity swaps and commodity options.

These instruments have the following characteristics:

- they are used solely for hedging purposes;
- they are contracted solely with high-quality French and foreign banks;
- they carry no liquidity risk in the event of reversal.

The use of hedging instruments and selection of counterparties - and more generally, the management of exposure to foreign exchange risk, interest rate risk and commodities risk - are subject to specific detailed monitoring which is reported to the bodies responsible for management and control within the relevant companies, including the parent company (Colas SA).

2.9.3. Hedging rules

2.9.3.1. Foreign exchange risk

The policy applied is to hedge systematically all residual foreign exchange exposure relating to commercial transactions. If the future cash flow is certain, the foreign exchange risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

To the extent possible, acquisitions of foreign subsidiaries are financed in local currency. As a general rule, assets denominated in foreign currencies are not intended to be sold and are not hedged against foreign exchange risk.

As part of the process of optimizing the Group's cash position by enabling surplus cash loaned to or borrowed from subsidiaries to be converted into the subsidiary's local currency as a substitute for bank credit facilities, forward currency hedges may be used to eliminate foreign exchange risk.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions.

2.9.3.2. Interest rate risk

The policy applied is to hedge at Group level some or all financial assets and liabilities, where those are foreseeable and recurring.

The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps, for a term linked to that of the hedged financial liabilities.

As with foreign exchange risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

2.9.3.3. Commodities risk

The policy applied is to hedge at Group level some or all of the exposure to movements in commodity prices on specific contracts.

2.9.4. Accounting policy on financial instruments

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IFRS 9. Three types of accounting treatment are used:

- fair value hedges: changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognized symmetrically in the income statement;

- cash flow hedges: changes in the fair value of the hedging instrument are recognized in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion;

- hedges of a net investment in a foreign operation: changes in the intrinsic value of the hedging instrument are recognized in shareholders' equity until the hedge is closed out.

2.10. Consolidated shareholders' equity

Treasury shares are deducted from consolidated shareholders' equity. If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognized at Group level.

2.10.1. Translation reserve

The translation reserve represents translation differences arising since January 1, 2004, when the reserve was deemed to be zero and the balance transferred to "Retained earnings". In the event of disposal of a subsidiary, associate or joint venture that prepares its accounts in a foreign currency, the cumulative translation reserve as of the date of disposal is recycled through profit or loss, such that the gain or loss on disposal is calculated without the effect of exchange rate fluctuations.

2.10.2. Information about the management of capital

The objective of Colas management in managing capital is to maintain consolidated shareholders' equity at a level consistent with:

- maintaining a reasonable ratio of net debt to shareholders' equity;

- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool, used by the parent company to assess the financial position of each operating segment and of the Group as a whole, and the effects on consolidated shareholders' equity.

Some performance indicators used by Colas may be calculated with reference to shareholders' equity, but most are not.

The shareholders' equity of the Colas group is not subject to any restriction under the articles of association.

2.11. Non-current liabilities

2.11.1. Non-current debt

With the exception of derivative instruments accounted for as liabilities measured at fair value (including a counterparty risk component, which is immaterial), all other borrowings and financial liabilities are accounted for at amortized cost using the effective interest method.

The portion of debt due within less than one year is included in current liabilities.

2.11.2. Non-current lease obligations

In accordance with IFRS 16, on commencement of a lease the lessee recognizes a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

The following amounts are included in the lease payments used to measure the obligation:

- fixed payments (including in-substance fixed payments, i.e. payments that may in form contain variability, but in substance are unavoidable);

- variable lease payments that depend on an index or a rate at the commencement date of the lease;

- payments due by the lessee under residual value guarantees;

- the exercise price of a purchase option, if that option is reasonably certain to be exercised;

- payments of penalties for terminating or not extending the lease.

During the term of the lease, the carrying amount of the lease obligation is:

- increased to reflect interest on the lease obligation, which is recognized as an expense in the income statement and calculated using the discount rate used on initial measurement; and

- reduced to reflect lease payments made.

The discount rate used to calculate the lease obligation is determined for each asset on the basis of the incremental borrowing rate at the inception date of the lease. That rate is obtained by aggregating a market rate that reflects the location, currency and lease term, and a sector-specific spread that reflects the nature of the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than twelve months. Such leases are recognized in profit or loss as and when lease payments are made. The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

As permitted by IFRS 16, the Colas group has not elected to apply the standard to leases of intangible assets.

The portion of lease obligations due within less than one year is included in current liabilities.

2.11.3. Non-current provisions

In accordance with IAS 37, a provision is recorded at the end of the reporting period if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the Group of resources embodying economic benefits.

The amount recognized as a provision represents the Group's best estimate of the net outflow of resources.

In general, non-current provisions are not associated with the Colas group's normal operating cycle. They mainly comprise:

Employee benefits

Pensions

To cover their post-employment pension obligations to employees, Group companies make regular payments to external bodies including public-sector and private-sector pension schemes and independent pension fund managers (defined-contribution plans).

However, some defined-benefit pension plans remain in place in the United Kingdom, Ireland, Canada and Switzerland. With the exception of the Colas Rail Ltd plan, those plans cover only a limited number of employees, as it was decided some years ago to close them to new entrants. These pension plans are managed by independent pension fund managers.
Actuarial gains and losses are recognized in "Other recognized income and expense".

Lump-sum retirement benefits

The cost of these benefits is calculated using the projected unit credit method based on final salary. The calculation method is based on individual projections and takes into account:

- status, age and length of service for each employee category;
- employee turnover, calculated on the basis of the average number of voluntary leavers by business segment, age bracket and employee category;
- average salary and wages including bonuses and benefits in kind, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
- a final salary inflation rate;
- a discount rate applied to the obligation over the projected period to the retirement date;
- estimated mortality, based on mortality tables.

Actuarial gains and losses are recognized in "Other recognized income and expense".

Benefit entitlements are recognized on a straight line basis only over the final years of the period of service during which employees' capped benefits vest.

Long service awards

The vast majority of Group companies have a long-standing and systematic policy of awarding long service bonuses. The calculation method is based on individual projections and takes into account (i) employee turnover and (ii) estimated mortality, based on mortality tables.
Actuarial gains and losses are recognized in profit or loss.

Litigation and claims

Litigation and claims on contracts

The amount of risk provided for is measured on the basis of the claim made by the complainant, or an estimate of remedial works issued by court-appointed experts.

Risks relating to tax, social security and other official inspections

Reassessments are recognized in profit or loss in the period in which they are accepted by the Group; if they are contested, a provision is recognized (except where they relate to corporate income taxes, in which case a tax liability is recognized).

Provisions for customer warranties (long term)

These represent an estimate of works to be carried out under warranties that exceed the length of the operating cycle (1 to 2 years), such as the 10-year warranty provided on some constructions.

Site remediation costs (long term)

Detailed estimates are prepared of the remediation costs that will be incurred when quarries are exhausted or their operating licenses expire; these include labor and materials costs, and a share of overheads. Only costs that will be incurred more than twelve months after the end of the reporting period are included in this line item.

2.12. Current liabilities

2.12.1. Current provisions

These are provisions related to the Colas group's normal operating cycle, and mainly comprise:

Provisions for customer warranties (valid for up to two years)

Provisions for completion of snagging lists under contractual warranties are assessed individually for each project.

Provisions for site clean-up

These comprise costs to be incurred on post-contract clean-up, including the removal of plant and equipment. Such costs are assessed individually for each project, taking account of the size of the projects and the distance of the site from permanent Colas facilities.

Provisions for expected losses to completion

These relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

Site rehabilitation costs

These provisions cover the cost of rehabilitating sites (mainly quarries) after operations cease, where the work is to be carried out within the twelve months following the end of the reporting period.

As required by IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", information about the most significant provisions is disclosed to the extent that such disclosure is not prejudicial to the Group's interests.

2.12.2. Trade payables

Because of the short-term nature of these liabilities, they are carried at face value in the consolidated financial statements, which is considered a reasonable estimate of their market value.

2.12.3. Customer contract liabilities

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract (see Note 11).

2.13. Income statement

As allowed under IAS 1, the Group presents an income statement that classifies expenses by nature. In presenting its income statement, the Group has applied ANC Recommendations 2013-03 of November 7, 2013, and 2012-01 and 2012-02 of December 21, 2012.

2.13.1. Revenue recognition

The Group recognizes revenue when:

- a customer contract, and the performance obligations within that contract, have been identified;
- a transaction price has been determined, and allocated between the performance obligations;
- the distinct performance obligations under the contract have been satisfied;
- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Customer contracts are analyzed to determine what performance obligations they contain; most of the Group's contracts contain a single performance obligation.

Sales of goods (bitumen and aggregates)

Revenue is recognized when control of the goods is transferred, i.e. on delivery.

Sales of services (railway infrastructure maintenance, rail networks, water & energy transport)

Revenue is recognized as and when the service is provided.

Construction contracts (road or railway infrastructure construction)

Revenue from construction activities corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer or are highly probable.

Such revenue is recognized at the end of each period using the percentage of completion method, with the rate of completion determined on the basis of the cost of works completed.

As soon as a loss on a contract is known and can be reliably measured, it is covered by a provision for expected losses to completion within "Current provisions" in the balance sheet. The loss is provided for in full, irrespective of the completion rate.

2.13.2. Other operating income/(expenses), net

These line items contain a very limited number of income and expense items, which are unusual and occur infrequently but are of particularly large amounts. The Group reports these items separately in its income statement to give users of the financial statements a better understanding of ongoing operational performance.

For a description of these items, refer to Note 13.

2.13.3. Share-based payment

None.

2.13.4. Cost of net debt

"Cost of net debt" includes expenses and income related to cash and cash equivalents, and borrowing costs.

2.14. Consolidated cash flow statement

The consolidated cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendation 2013-03 of November 7, 2013 (using the indirect method). The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings.

Consolidated net profit is adjusted to eliminate the impact of transactions with no cash effect, and of income and expenses related to investing or financing activities.

2.15. Other financial indicators

"Current operating profit from activities", "EBITDA after Leases", "Net surplus cash/(net debt)" and "Free cash flow" are non-IFRS financial measures that provide additional information of relevance to shareholders in understanding the Group's performance and financial position. Those indicators are presented in Note 17 to the consolidated financial statements.

2.15.1. Current operating profit from activities

"Current operating profit from activities" (COPA) represents current operating profit before amortization and impairment of intangible assets recognized in business combinations.

2.15.2. EBITDA after Leases

"EBITDA after Leases" is defined as current operating profit after taking account of interest expense on lease obligations, before (i) net depreciation, amortization and impairment expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of losses of control. Those relate to the remeasurement of retained equity interests.

"Other income from operations" and "Other expenses from operations", which are a component of current operating profit, mainly comprise:

- reversals of unutilized provisions and impairment;
- net foreign exchange differences on commercial transactions;
- gains and losses on disposals of non-current assets;
- profits and losses from joint operations, representing the Group's share of profits or losses from non-consolidated companies such as Sociétés en Participation (SEPs), for example those that operate asphalt and binder production facilities;
- royalties from the licensing of patents;
- revenue from sales of raw material (bitumen) by Colas subsidiaries to asphalt and emulsion entities in the form of SEPs or economic interest groupings that subsequently sell the asphalt and emulsion back to Colas subsidiaries (with the expense recognized in "Purchases used in production").

2.15.3. Net debt/net surplus cash

Net debt (or net surplus cash) is obtained by aggregating the following items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings;
- non-current and current debt, mainly comprising borrowings, plus any financial liabilities arising from securitized receivables for which the Group does not transfer the risks and rewards; and
- financial instruments (fair value hedges of debt).

Net debt/net surplus cash does not include non-current and current lease obligations.

A positive figure represents net surplus cash and a negative figure represents net debt.

2.15.4. Free cash flow

Free cash flow is defined as net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements related to operating activities.

2.15.5. Changes in working capital requirements related to operating activities

"Changes in working capital requirements related to operating activities" as presented in the cash flow statement is obtained by aggregating net changes in:

- inventories and work in progress;
- advances and down-payments made on orders;
- trade receivables;
- customer contract assets;
- trade payables;
- customer contract liabilities;
- current provisions; and
- other current asset and liability items, excluding (i) income taxes; (ii) net cash and cash equivalents and current debt; (iii) hedging instruments; (iv) current lease obligations; and (v) receivables/liabilities related to property, plant and equipment and intangible assets.

NOTE 3 – NON-CURRENT ASSETS

3.1. Acquisitions of non-current assets during the year, net of disposals

	2023	2022
Property, plant and equipment	374	381
Intangible assets and goodwill	13	9
Capital expenditure (a)	**387**	**390**
Non-current financial assets (interests in consolidated and non-consolidated companies, and other investments)	39	130
Acquisitions of non-current assets (b)	**426**	**520**
Proceeds from disposals of property, plant and equipment and intangible assets (c)	(332)	(212)
Proceeds from disposals of equity investments	(56)	(31)
ACQUISITIONS OF NON-CURRENT ASSETS, NET OF DISPOSALS	**38**	**277**

(a) Corresponds to the total of the "Purchase price of property, plant and equipment and intangible assets" line in the consolidated cash flow statement.
(b) Corresponds to the total of the "Purchase price of non-consolidated companies and other investments" and "Purchase price of consolidated activities" lines in the consolidated cash flow statement.
(c) Corresponds to the total of the "Proceeds from disposals of property, plant and equipment and intangible assets", "Proceeds from disposals of non-consolidated companies and other investments" and "Proceeds from disposals of consolidated activities" lines in the consolidated cash flow statement.

3.2. Non-current assets: movements during the period

3.2.1. Property, plant and equipment

	Land and buildings	Plant, equipment and tooling	PP&E under construction and advance payments	Total
Gross value				
12/31/2021	**1,818**	**5,741**	**197**	**7,756**
Translation adjustments	13	36	1	50
Transfers between accounts	13	112	(123)	2
Changes in scope of consolidation	(18)	(22)	(1)	(41)
Acquisitions during the period	30	154	197	381
Disposals and other reductions	(67)	(256)	(4)	(327)
12/31/2022	**1,789**	**5,765**	**267**	**7,821**
Translation adjustments	(11)	(47)	(1)	(59)
Transfers between accounts	34	276	(233)	77
Changes in scope of consolidation	18	5		23
Acquisitions during the period	32	215	127	374
Disposals and other reductions	(119)	(320)	(3)	(442)
12/31/2023	**1,743**	**5,894**	**157**	**7,794**
Depreciation and impairment				
12/31/2021	**(789)**	**(4,592)**		**(5,381)**
Translation adjustments	(4)	(32)		(36)
Transfers between accounts	(2)	(7)		(9)
Changes in scope of consolidation	9	47		56
Charges and reversals	(57)	(312)		(369)
Disposals and other reductions	38	239		277
12/31/2022	**(805)**	**(4,657)**		**(5,462)**
Translation adjustments	3	35		38
Transfers between accounts	(1)	(62)		(63)
Changes in scope of consolidation		7		7
Charges and reversals	(57)	(282)		(339)
Disposals and other reductions	57	279		336
12/31/2023	**(803)**	**(4,680)**		**(5,483)**
Carrying amount				
12/31/2021	**1,029**	**1,149**	**197**	**2,375**
Of which mineral deposits (quarries)	330			330
12/31/2022	**984**	**1,108**	**267**	**2,359**
Of which mineral deposits (quarries)	321			321
12/31/2023	**940**	**1,214**	**157**	**2,311**
Of which mineral deposits (quarries)	326			326

3.2.2. Right of use of leased assets

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
Gross value				
12/31/2021	**428**	**259**	**271**	**958**
Translation adjustments	3	(3)	(2)	(2)
Changes in scope of consolidation	(4)	3	(6)	(7)
New leases, lease modifications, and other lease-related movements	47	108	44	199
12/31/2022	**474**	**367**	**307**	**1,148**
Translation adjustments	(3)	(2)	(2)	(7)
Changes in scope of consolidation	9	(62)	(2)	(55)
New leases, lease modifications, and other lease-related movements	59	121	58	238
12/31/2023	**539**	**424**	**361**	**1,324**
Depreciation and impairment				
12/31/2021	**(214)**	**(105)**	**(107)**	**(426)**
Translation adjustments	(1)	1	2	2
Changes in scope of consolidation		2	3	5
Charges and reversals	(49)	(55)	(44)	(148)
New leases, lease modifications, and other lease-related movements	18	14	19	51
12/31/2022	**(246)**	**(143)**	**(127)**	**(516)**
Translation adjustments	1	1	1	3
Changes in scope of consolidation	5	57	4	66
Charges and reversals	(56)	(66)	(51)	(173)
New leases, lease modifications, and other lease-related movements	25	15	12	52
12/31/2023	**(271)**	**(136)**	**(161)**	**(568)**
Carrying amount				
12/31/2021	**214**	**154**	**164**	**532**
12/31/2022	**228**	**224**	**180**	**632**
12/31/2023	**268**	**288**	**200**	**756**

3.2.3. Intangible assets

	Concessions, patents and other rights	Other	Total
Gross value			
12/31/2021	**235**	**185**	**420**
Translation adjustments	1	1	2
Transfers between accounts	(4)	8	4
Changes in scope of consolidation	20	14	34
Acquisitions during the period	2	7	9
Disposals and other reductions	(4)	(6)	(10)
12/31/2022	**250**	**209**	**459**
Translation adjustments	(1)	(3)	(4)
Transfers between accounts	9	(15)	(6)
Changes in scope of consolidation	6	1	7
Acquisitions during the period	3	10	13
Disposals and other reductions	(1)	(7)	(8)
12/31/2023	**266**	**195**	**461**
Amortization and impairment			
12/31/2021	**(140)**	**(82)**	**(222)**
Translation adjustments	(1)	(1)	(2)
Transfers between accounts	9	(10)	(1)
Changes in scope of consolidation	1		1
Charges and reversals	(11)	(12)	(23)
Disposals and other reductions	2	5	7
12/31/2022	**(140)**	**(100)**	**(240)**
Translation adjustments	1	1	2
Transfers between accounts	(2)	7	5
Changes in scope of consolidation			
Charges and reversals	(10)	(11)	(21)
Disposals and other reductions	1	6	7
12/31/2023	**(150)**	**(97)**	**(247)**
Carrying amount			
12/31/2021	**95**	**103**	**198**
12/31/2022	**110**	**109**	**219**
12/31/2023	**116**	**98**	**214**

(1) "Concessions, patent and other rights" mainly comprise quarry operating rights and, to a lesser extent, patents and software.

In accordance with IFRS, research costs are expensed as incurred.

Development costs (including software development costs) are in most cases also expensed as incurred, either because they do not meet the capitalization criteria under IAS 38 or because they represent permanent recurring expenditure.

3.2.4. Goodwill

	Gross value	Impairment	Carrying amount
12/31/2021	**978**	**(49)**	**929**
Changes in scope of consolidation	7		7
Impairment losses charged during the period			
Other movements (including translation adjustments)	4		4
Disposals and other reductions			
12/31/2022	**989**	**(49)**	**940**
Changes in scope of consolidation			
Impairment losses charged during the period		(3)	(3)
Other movements (including translation adjustments)	(2)	(3)	(5)
Disposals and other reductions	(10)		(10)
12/31/2023	**977**	**(55)**	**922**

"Disposals" mainly relates to the derecognition of the goodwill allocated to Metrolina (USA).

Other movements mainly comprise translation adjustments in the United States and Canada (-€4 million).

The final goodwill on the Hasselmann acquisition as of December 31, 2023 was determined by an independent valuer as follows:

	Hasselmann Group
Purchase price: (I)	**71**
Net assets acquired, excluding goodwill: (II)	**(27)**
Non-current assets	(11)
Current assets	(35)
Non-current liabilities	8
Current liabilities	11
Purchase price allocation: (III)	**-**
Remeasurement of acquired intangible assets	-
Other remeasurements (deferred taxes & other)	-
Goodwill (I)+(II)+(III)	**44**
Translation adjustments	-
Goodwill at 12/31/2023	**44**

Impairment testing of indefinite-lived intangible assets and goodwill

When there is an indication that an asset may have become impaired, it is tested for impairment using the method described in Note 2.7. Such tests are performed at least once a year, after management has updated the budgets and three-year plans. An impairment loss is recognized within operating profit if the carrying amount of an asset or CGU exceeds its recoverable amount.

The cash flows used for impairment testing reflect any financial impacts arising from the commitments made by the Group in its roadmap for addressing climate risks.

An analysis as of December 31, 2023 of indefinite-lived intangible assets and goodwill by CGU, and of the main assumptions used in impairment testing, is provided below:

				Discount rate	
Cash Generating Unit	Goodwill	Indefinite-lived intangible assets	Growth rate	Scenario 1[(1)]	Scenario 2[(1)]
Routes Métropole / DOM-OI / Holding	167	19	2%	7.36%	6.89%
Routes EMEA	239	21	2%	7.36%	6.89%
Routes États-Unis	77		2%	7.36%	6.89%
Routes Canada	127	18	2%	7.36%	6.89%
Routes Asie / Pacifique	23		2%	7.36%	6.89%
Ferroviaire	288		2%	7.36%	6.89%
Transport d'eau et d'énergie	1		2%	7.36%	6.89%
TOTAL	**922**	**58**			

(1) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

For all the CGUs tested, the recoverable amounts determined under each capital structure scenario remain above the carrying amounts of the assets tested. Consequently, Colas did not consider recording impairment losses against the carrying amounts of the CGUs.

Sensitivity analyses were performed for each CGU to determine the sensitivity of the calculation to key parameters, either individually or using combined scenarios for discount rates and normative cash flows, including reasonably possible changes in normative cash flows.

Changes in assumptions applied for sensitivity analysis purposes:
Discount rate: +100 basis points
Growth rate: -200 basis points
Normative cash flows: -20%
For all sensitivities, recoverable amounts would exceed carrying amount for all assets tested.

The recoverable amount of the CGUs would equal the carrying amount of the assets tested in each of the scenarios (1 & 2) taken individually if the following data were applied:

	Discount rate	Change in normative cash flows		Perpetual growth rate	
Cash Generating Unit	**Scenario 1/ Scenario 2(1)**	**Scenario 1(1)**	**Scenario 2(1)**	**Scenario 2(1)**	**Scenario 2(1)**
Roads France / OD-IO / Corporate	NS	(115%)	(114%)	NS	NS
Roads EMEA	16%	(69%)	(72%)	(8%)	(9%)
Roads United States	21%	(82%)	(84%)	(17%)	(18%)
Roads Canada	15%	(65%)	(69%)	(7%)	(7%)
Roads Asia-Pacific	14%	(64%)	(67%)	(6%)	(7%)
Railways	39%	(96%)	(97%)	(55%)	(56%)
Water and energy transport	NS	(111%)	(110%)	NS	NS

(1) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2); N/M= not meaningful.

3.2.5. Investments in joint ventures and associates

	Share of net assets held	Goodwill and fair value remeasure-ments	Total gross value	Impairment	Carrying amount
12/31/2021	**310**	**100**	**410**	**(40)**	**370**
Share of net profits/(losses) for the period	51		51	(2)	49
Translation adjustments	3	1	4		4
Changes in scope of consolidation	12		12		12
Acquisitions and other increases					
Dividends distributed	(41)		(41)		(41)
Transfers and other movements	3		3		3
12/31/2022	**338**	**101**	**439**	**(42)**	**397**
Share of net profits/(losses) for the period	61		61	(2)	59
Translation adjustments	(7)	(1)	(8)		(8)
Changes in scope of consolidation	(1)	2	1		1
Acquisitions and other increases	3		3		3
Dividends distributed	(51)		(51)		(51)
Transfers and other movements	(6)		(6)		(6)
12/31/2023	**337**	**102**	**439**	**(44)**	**395**

The share of net profits for the period was derived mainly from Tipco Asphalt (€19 million), subsidiaries of Colas Canada (€14 million); Hincol (€5 million); and Someca (€5 million).

Dividends distributed derived mainly from Tipco Asphalt (€17 million); subsidiaries of Colas Canada (€7 million); Mak Mecsek (€5 million); and Someca (€4 million).

Principal associates and joint ventures	Share of net assets held 12/31/2023	Share of net assets held 12/31/2022	Share of net profit/(loss) for period 12/31/2023	Share of net profit/(loss) for period 12/31/2022
Associates				
Tipco Asphalt[1]	134	137	19	20
Mak Mecsek[2]	32	35	2	3
Miscellaneous associates	10	10	7	2
Joint ventures				
Someca SAS	11	11	5	4
The Miller Group & Sintra (Canada)	35	28	14	10
Al-Futtaim Colas LLC	17	17	2	1
Hincol	19	18	5	6
Colas Contracting Pty Ltd	12	11	2	1
Miscellaneous joint ventures[3]	67	72	3	2
TOTAL	**337**	**338**	**59**	**49**

(1) Tipco Asphalt, based in Bangkok (Thailand), distributes and sells bituminous products in south-east Asia, and is listed on the Stock Exchange of Thailand. Tipco Asphalt had a carrying amount of €134 million in the Colas financial statements as of December 31, 2023.
(2) Mak Mecsek holds a 30-year PPP concession to build and operate a new 80-km section of the M6 (50 km) and M60 (30 km) motorways in south-west Hungary.
(3) Most of these joint ventures are industrial entities (quarries, emulsion plants) operated jointly with partners from outside the Group, none of which is individually material.

3.2.6. Other non-current financial assets

	Investments in non-consolidat-ed companies	Other financial assets	Total gross value	Impairment	Carrying amount
12/31/2021	**34**	**109**	**143**	**(1)**	**142**
Translation adjustments	(1)	(2)	(3)		(3)
Changes in scope of consolidation	(7)		(7)		(7)
Acquisitions and other increases	2	8	10		10
Charges, reversals and changes in fair value	2		2	(2)	
Disposals and other reductions	(4)	(29)	(33)		(33)
Transfers and other movements		5	5		5
12/31/2022	**26**	**91**	**117**	**(3)**	**114**
Translation adjustments					
Changes in scope of consolidation					
Acquisitions and other increases	1	23	24		24
Charges, reversals and changes in fair value				(2)	(2
Disposals and other reductions	(1)	(21)	(22)		(22)
Transfers and other movements		(2)	(2)		(2)
12/31/2023	**26**	**91**	**117**	**(5)**	**112**
Impairment		(5)	(5)		
12/31/2023 - Carrying amount	**26**	**86**	**112**		

As of December 31, 2023, these comprised:

– investments in non-consolidated companies amounting to €26 million; and

– other financial assets (loans, receivables, etc) with a carrying amount of €86 million.

3.2.6.1. Analysis of principal investments in non-consolidated companies

	12/31/2023 Carrying amount	12/31/2022 Carrying amount
Asphalt, binder and quarry companies	15	15
Companies not controlled by the Group	5	5
Dormant companies and companies in process of liquidation	3	3
Other	3	3
TOTAL	**26**	**26**

3.2.6.2. Analysis of other financial assets

	Brut	Dépréciation	12/31/2023 Net	12/31/2022 Net
Loans receivable[1]	30	(5)	25	32
City of Portsmouth (UK)[2]	32		32	34
Other financial receivables	30	(1)	29	22
TOTAL	**92**	**(6)**	**86**	**88**

(1) "Loans receivable" mainly comprises interest-free 20-year loans granted in connection with the French legal obligation for employers to invest in construction, which are recognized at net present value as of the inception date of the loan.
(2) Amount receivable from the City of Portsmouth (UK) in consideration of services provided under the 25-year public-private partnership deal signed in 2004 to upgrade and maintain the urban road network, expiring in 2029. This receivable is measured using the financial asset model in accordance with IFRIC 12.

3.2.6.3. Investments in non-consolidated companies and other non-current financial assets

Analysis of non-current financial assets by accounting category:

	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Loans and receivables at amortized cost	Total
12/31/2022		**26**		**88**	**114**
Movements during 2023				(2)	(2)
12/31/2023		**26**		**86**	**112**

NOTE 4 – CURRENT ASSETS

4.1. Inventories, current receivables and prepaid expenses

	12/31/2023			12/31/2022		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Inventories[1]	**857**	**(69)**	**788**	**948**	**(80)**	**868**
Advances and down-payments made on orders	**54**		**54**	**71**		**71**
Trade receivables[2]	**2,778**	**(132)**	**2,646**	**2,848**	**(120)**	**2,728**
Customer contract assets	**916**		**916**	**923**		**923**
Current tax assets	**47**		**47**	**47**		**47**
Amounts due from employees, social security & government	316		316	321		321
Amounts due from related companies (joint ventures, associates, and investments in non-consolidated companies) and sundry receivables	368	(24)	344	358	(21)	337
Pension plan assets	22		22	46		46
Prepaid expenses	89		89	80		80
Other receivables	**795**	**(24)**	**771**	**805**	**(21)**	**784**

(1) Inventories consist of stocks of bitumen, aggregates, raw materials and other supplies.
(2) An analysis of the ageing of trade receivables is provided below:

	Balance	Balance past due by:			
	Not past due	Less than 6 months	6 months to 1 year	More than 1 year	Total
Trade receivables (gross)	1,415	1,047	96	220	2,778
Impairment	(5)	(11)	(13)	(103)	(132)
Trade receivables at 12/31/2023 (net)	**1,410**	**1,036**	**83**	**117**	**2,646**
Comparative at 12/31/2022 (net)	1,720	760	107	141	2,728

An analysis of trade receivables more than twelve months past due and not covered by impairment allowances revealed no additional credit risk.

4.2. Customer contract assets

		Movements during 2023				Maturity	
	12/31/2022	Translation adjust-ments	Changes in scope of consolida-tion & other movements	Movements arising from operating activities	12/31/2023	< 1 year	> 1 year
Differences arising from percentage of completion on contracts (unbilled receivables on construction contracts)	923	(5)	(1)	(1)	916	916	
TOTAL CUSTOMER CONTRACT ASSETS	**923**	**(5)**	**(1)**	**(1)**	**916**	**916**	

4.3. Cash and cash equivalents

	12/31/2023			12/31/2022		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	987		987	464		464
Cash equivalents	63		63	7		7
TOTAL	**1,050**		**1,050**	**471**		**471**

Cash and cash equivalents meet the criteria set out in IAS 7 in that they are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The funds involved are primarily invested in:

- instant-access bank deposit accounts;
- negotiable debt securities and term deposits with a maturity of less than three months at inception, or with an early withdrawal option within three months offered by the bank; and
- UCITS that fall within the “money-market” or short-term money-market” classifications of the Autorité des Marchés Financiers.

Surplus cash is invested with high-quality French and foreign banks. Cash and cash equivalents are measured at fair value, and cash equivalents are readily convertible into cash.

The table below shows an analysis of cash and cash equivalents by currency as of December 31:

	Euro(1)	USD(1)	CAD(1)	GBP(1)	AUD(1)	Autres(1) (2)	Total
Cash	691	23	49	56	14	154	987
Cash equivalents						63	63
TOTAL	**691**	**23**	**49**	**56**	**14**	**217**	**1,050**
Comparative at 12/31/2022 (net)	144	6	66	55	14	186	471

(1) Equivalent value in euros.
(2) Other currencies as of December 31, 2023 mainly comprise the Philippine peso, Egyptian pound, Polish zloty and Malagasy ariary, for a combined amount of €138 million.

4.4. Depreciation, amortization, impairment and provisions in the balance sheet

				Charges and reversals through current operating profit					
	12/31/2022	Translation adjust-ments	Changes in scope of consolidation	Depre-ciation, amorti-zation & impair-ment[1]	Other im-pairment losses & provisions, net	Reversals (provi-sions not used)	**Other impairment losses & other provisions[2]**	Rever-sals on disposal & other move-ments[3]	**12/31/2023**
Property, plant and equipment and intangible assets	(5,700)	40	7	(360)				284	(5,730)
Right of use of leased assets	(516)	3	66	(173)				52	(568)
Goodwill	(49)				(3)			(3)	(55)
Other non-current financial assets	(45)				(3)		(1)		(49)
Sub-total: non-current assets	**(6,310)**	**43**	**73**	**(533)**	**(6)**		**(1)**	**333**	**(6,402)**
Inventories	(80)				2	8		1	(69)
Trade receivables	(120)	1	(2)		(21)	10			(132)
Cash equivalents									
Other current receivables and prepaid expenses	(21)				(1)		(4)	2	(24)
Sub-total: current assets	**(221)**	**1**	**(2)**		**(20)**	**18**	**(4)**	**3**	**(225)**
TOTAL ASSETS	**(6,531)**	**44**	**71**	**(533)**	**(26)**	**18**	**(5)**	**336**	**(6,627)**
Non-current provisions	(678)		2		(45)	33	(2)	(2)	(692)
Current provisions	(411)	1			(142)	67	1	(5)	(489)
TOTAL LIABILITIES	**(1,089)**	**1**	**2**		**(187)**	**100**	**(1)**	**(7)**	**(1,181)**
GRAND TOTAL	**(7,620)**	**45**	**73**	**(533)**	**(213)**	**118**	**(6)**	**329**	**(7,808)**

(1) Charged against property plant and equipment, intangible assets, and right of use of leased assets.
(2) Recognized in "Other operating income and expenses" or "Other financial income and expenses".
(3) Mainly comprises reductions in accumulated depreciation following disposals or retirements of plant and equipment.

NOTE 5 – CONSOLIDATED SHAREHOLDERS' EQUITY

Composition of the share capital

The share capital of Colas as of December 31, 2023 was €48,981,748.50.

It consists of 32,654,499 shares with a par value of €1.50, all ranking equally (although registered shares held by the same shareholder for more than two years carry double voting rights).

There have been no changes in share capital since January 1, 2023.

The share capital of Colas is 100% owned, directly or indirectly, by Bouygues SA (excluding treasury shares).

Treasury shares held as of December 31, 2023

Colas held 13,239 of its own shares at a carrying amount of €1,650,036.90 as of December 31, 2023.

Stock subscription options outstanding: none.

Translation reserve

The table below shows the principal translation reserves as of December 31, 2023, as determined for financial statements of foreign subsidiaries and associates expressed in currencies other than the euro:

	12/31/2022	Movements during 2023	12/31/23
United States	79	(20)	59
Canada	15	(8)	7
United Kingdom	(19)	4	(15)
Slovakia	12	(0)	12
Czech Republic	11	(2)	9
Australia	(7)	(3)	(10)
Other countries	(17)	(6)	(23)
TOTAL TRANSLATION RESERVE	**74**	**(35)**	**39**

NOTE 6 – NON-CURRENT AND CURRENT PROVISIONS

6.1. Non-current provisions

	Employee benefits[a]	Litigation and claims [b]	Warranties[c]	Site remediation	Other non-current provisions[d]	Total
12/31/2021	**350**	**157**	**78**	**190**	**70**	**845**
Translation adjustments	(1)	-	(2)	-	-	(3)
Changes in scope of consolidation	-	(1)	(1)	1	-	(1)
Charges to provisions	25	25	17	15	17	99
Reversals of utilized provisions	(18)	(11)	(10)	(19)	(5)	(63)
Reversals of unutilized provisions	(15)	(29)	(8)	(8)	(23)	(83)
Actuarial gains and losses	(135)	-	-	-	-	(135)
Transfers and other movements	21	1	(3)	-	-	19
12/31/2022	**227**	**142**	**71**	**179**	**59**	**678**
Translation adjustments	-	-	1	(1)	-	-
Changes in scope of consolidation	-	(1)	-	(1)	-	(2)
Charges to provisions	21	29	16	24	16	106
Reversals of utilized provisions	(15)	(13)	(8)	(17)	(6)	(59)
Reversals of unutilized provisions	(3)	(16)	(5)	(4)	(5)	(33)
Actuarial gains and losses	12	-	-	-	-	12
Transfers and other movements	(6)	1	1	-	(6)	(10)
12/31/2023	**236**	**142**	**76**	**180**	**58**	**692**

Analysis of principal provisions:

(a) Employee benefits	**236**
Lump-sum retirement benefits	*156*
Long service awards	*65*
Pensions	*15*
(b) Litigation and claims	**142**
Disputes with customers	*27*
Disputes with social security bodies	*60*
Disputes with employees	*19*
Disputes with subcontractors	*14*
Disputes with tax authorities	*5*
Disputes with other official bodies	*1*
Other disputes	*16*
(c) Warranties	**76**
10-year construction warranties	*45*
Provisions for additional building/civil engineering/civil works guarantees	*26*
Provisions for performance bonds	*5*
(d) Other non-current provisions	**58**
Provisions for risks related to non-controlled entities	*17*
Provisions for miscellaneous foreign risks	*2*
Other non-current provisions	*39*

The assumptions used to determine provisions for employee benefits have been updated (see Note 20.3.3.).

The impact of the changes in actuarial assumptions was recorded in recognized income and expense (for lump-sum retirement benefits and pensions), and in profit or loss under "Personnel costs" (for long service awards).

6.2. Current provisions

	Provisions for customer warranties	Project risks and project completion[a]	Provisions for expected losses to completion[a]	Site remediation	Other current provisions[b]	Total
12/31/2021	**39**	**79**	**194**	**27**	**85**	**424**
Translation adjustments	(1)	(1)	1	-	1	-
Changes in scope of consolidation	-	-	(3)	-	(1)	(4)
Charges to provisions	17	35	132	2	34	220
Reversals of utilized provisions	(5)	(23)	(102)	(8)	(33)	(171)
Reversals of unutilized provisions	(12)	(20)	(36)	(1)	(5)	(74)
Transfers and other movements	5	6	2	2	1	16
12/31/2022	**43**	**76**	**188**	**22**	**82**	**411**
Translation adjustments	-	-	-	-	(1)	(1)
Changes in scope of consolidation	-	-	-	-	-	-
Charges to provisions	27	69	165	2	63	326
Reversals of utilized provisions	(5)	(17)	(116)	(7)	(40)	(185)
Reversals of unutilized provisions	(8)	(24)	(31)	(1)	(3)	(67)
Transfers and other movements	(2)	5	-	3	(1)	5
12/31/2023	**55**	**109**	**206**	**19**	**100**	**489**

(a) Individual project provisions are not disclosed for confidentiality reasons.

(b) Other current provisions:	**100**
Provision for excess in accident claims	*40*
Provisions for redundancy costs	*10*
Provisions for restructuring	*6*
Other current provisions	*44*

NOTE 7 – DEFERRED TAX ASSETS AND LIABILITIES

7.1. Movement in deferred taxes

	Deferred tax assets	Deferred tax liabilities	Net deferred tax position
12/31/2021	**141**	**(113)**	**28**
Translation adjustments		(1)	(1)
Changes in scope of consolidation		(5)	(5)
Movements recognized in profit or loss	17	(10)	7
Other movements	(17)	(15)	(32)
12/31/2022	**141**	**(144)**	**(3)**
Translation adjustments	(1)	2	1
Changes in scope of consolidation		(2)	(2)
Movements recognized in profit or loss	22	2	24
Other movements[1]	(5)	15	10
12/31/2023	**157**	**(127)**	**30**

(1) "Other movements" include deferred taxes recognized in equity with a positive impact of €9 million (mainly from actuarial gains/losses on employee benefits) within the consolidated statement of recognized income and expense.

Deferred tax assets not recognized because recovery is judged not to be probable amounted to €268 million as of December 31, 2023 (€224 million as of December 31, 2022).

The period to recovery of deferred tax assets is in most cases more than two years.

Deferred tax liabilities arise mainly from temporary differences between tax and accounting treatments, including fair value remeasurements and differences in depreciation methods.

7.2. Principal sources of deferred taxation

	12/31/2023	12/31/2022
Provision for employee benefits (mainly lump-sum retirement benefits and pensions)	36	23
Tax losses	41	33
Non-current assets (including restricted provisions and fair value remeasurements)	(94)	(101)
Other temporary differences	48	41
NET DEFERRED TAX ASSET/(LIABILITY)	**30**	**(3)**

Deferred tax liabilities on non-current assets include (€7) million relating to restricted provisions of French subsidiaries included in the group tax election (2022: (€11) million).

NOTE 8 – NON-CURRENT AND CURRENT DEBT

8.1. Interest-bearing debt by maturity

		Maturing after more than 1 year					
12/31/2023	Maturing in less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total maturing after >1 year 12/31/2023
Bank borrowings	49	82	18	15	17	44	176
Other borrowings	8	2	2	2	2	7	15
Sub-total	**57**	**84**	**20**	**17**	**19**	**51**	**191**
Overdrafts and short-term bank borrowings[1]	183						
TOTAL	**240**	**84**	**20**	**17**	**19**	**51**	**191**

(1) Of which current account with Bouygues group cash pool: €13m.

		Maturing after more than 1 year					
12/31/2022	Maturing in less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total maturing after >1 year 12/31/2022
Bank borrowings	29	44	69	14	25	13	165
Other borrowings	11	3	3	3	7		16
Sub-total	**40**	**47**	**72**	**17**	**32**	**13**	**181**
Overdrafts and short-term bank borrowing[1]	548						
TOTAL	**588**	**47**	**72**	**17**	**32**	**13**	**181**

(1) Of which current account with Bouygues group cash pool: €391m.

8.2. Confirmed credit facilities and drawdowns

As of December 31, 2022, confirmed facilities amounted to €2,592 million, of which €221 million was drawn down. As of December 31, 2023, confirmed credit facilities and drawdowns were as follows:

	Confirmed facilities – Maturity				Drawdowns – Maturity			
	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Credit facilities	143	1,570	851	**2,564**	57	140	51	**248**

Undrawn confirmed credit facilities amounted to €2,316 million as of December 31, 2023.

8.3. Liquidity at December 31, 2023

As of December 31, 2023, available cash stood at €623 million. The Group also had €2,230 million of undrawn confirmed medium-term credit facilities (maturing after more than one year) as of that date, versus €2,371 million as of December 31, 2022.

The confirmed bank credit facilities contracted by companies under the control of Colas are not subject to any material contractual clauses liable to make them due on demand or before maturity.

8.4. Split of current and non-current debt by interest rate type

Fixed-rate debt represented 52% of the total amount of current and non-current debt (including the effect of all open interest rate hedges at the end of the reporting period, and excluding overdrafts and short-term bank loans), compared with 50% at the end of 2022.

The table below gives a maturity analysis of floating-rate debt not hedged by interest rate swaps:

	Maturity						
	Less than 1 year(1)	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
	2024	2025	2026	2027	2028	2029 and later	
FLOATING-RATE DEBT	**57**	**49**	**5**	**4**	**3**	**2**	**120**

(1) Fixed-rate debt maturing within less than one year is treated as though it were floating-rate.

8.5. Interest rate risk

he split of financial assets and financial liabilities by type of interest as of December 31, 2023 is shown below:

	Floating rate	Fixed-rate	Total
Cash and cash equivalents	1,050		1,050
Borrowings(1) (2)	(224)	(20)	(244)
Bank overdrafts and short-term bank loans	(183)		(183)
Net pre-hedging position	**643**	**(20)**	**623**
Interest rate hedges(2)	108	(108)	
Net post-hedging position	**751**	**(128)**	**623**
Adjustment for seasonal nature of operations(3)	(1,401)		(1,401)
Adjustment for seasonal nature of interest rate hedges(4)	281	(281)	
NET POST-HEDGING POSITION AFTER ADJUSTMENT	**(369)**	**(409)**	**(778)**

(1) Includes the fair value of interest rate swaps recognized in the balance sheet within "Financial instruments – Hedging of debt" (net amount: €4 million).
(2) The portion maturing within less than one year of fixed-rate debt, and of floating rate debt hedged by swaps, is treated as though it were floating-rate.
(3) Operations, and cash flows from operations, are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash position over the full year, which is used as the basis for analyzing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between average net debt over the full year (calculated on the basis of average monthly debt positions) and the net position in the balance sheet at December 31.
(4) Colas has adopted a treatment of cyclical interest rate hedges (the notional amount of which varies through the year) that is aligned on debt forecasts. This adjustment enables the average notional amount of these hedges to be taken into account.

The effect of an immediate 1% rise in short-term interest rates on the net post-hedging position as presented above would be to increase the cost of net debt by €4 million.

8.6. Split of current and non-current debt by currency

	Euro	USD[1]	CAD[1]	GBP[1]	AUD[1]	Other[1]	Total
Debt at December 31, 2023							
Non-current	18	54	0	46	25	48	191
Current	40	3	52	27	38	80	240
Debt at December 31, 2022							
Non-current	28	30		47	22	54	181
Current	229	32	189	18	43	77	588

(1) Equivalent value in euros.

8.7. Receivables assignment programs

The Group has implemented a number of receivables assignment programs. Based on an analysis of the risks and rewards as defined in IFRS 9, the Group has derecognized some of the receivables assigned in those programs. The amount of assigned receivables derecognized was €4 million as of December 31, 2023, versus €5 million as of December 31, 2022. In the consolidated cash flow statement, those assignments are presented within "Changes in working capital requirements related to operating activities".

The Group also has a trade receivables securitization program that was terminated at the end of 2023; the amount of the program varied during the course of the year, and was €1 million as of December 31, 2022. Because that program did not require derecognition, it had no impact on the Group's net debt. In the consolidated cash flow statement, the cash received was presented within "Changes in current and non-current debt".

NOTE 9 – MAIN COMPONENTS OF CHANGE IN NET DEBT

9.1. Change in net debt

	12/31/2022	Translation adjust-ments	Changes in scope of consoli-dation	Cash flows	Fair value adjust-ments	Other movements	12/31/2023
Cash and cash equivalents	471	(9)	-	588		-	1,050
Overdrafts and short-term bank borrowings	(548)	4	(2)	363		-	(183)
Net cash position (A)	**(77)**	**(5)[a]**	**(2)[a]**	**951[a]**	**-**	**-**	**867**
Non-current debt	181	(3)	-	18[b]		(5)	191
Current debt	40	-	-	12[b]		5	57
Financial instruments, net	(6)	(1)	-	-	3	-	(4)
Total debt (B)	**215**	**(4)**	**-**	**30**	**3**	**-**	**244**
NET SURPLUS CASH/(NET DEBT) (A) – (B)	**(292)**	**(1)**	**(2)**	**921**	**(3)**	**-**	**623**

(a) Increase of €944 million in net cash position as shown in the consolidated cash flow statement.
(b) Net cash provided by financing activities of €30 million as shown in the consolidated statement of cash flows, comprising an inflow of €857 million and an outflow of €827 million.

9.2. Principal changes in net debt during 2023

	12/31/2023	12/31/2022
Net surplus cash/(net debt) at start of period	(292)	(33)
Net cash generated by/(used in) operating activities	1,507	431
Net cash generated by/(used in) investing activities	(91)	(240)
Interest expense on debt and lease obligations	(87)	(66)
Dividends paid	(242)	(228)
Adjustment for repayments of lease obligations	(167)	(151)
Other (exchange rate fluctuations, changes in scope of consolidation, etc)	(5)	(5)
NET SURPLUS CASH/(NET DEBT) AT END OF PERIOD	**623**	**(292)**

NOTE 10 – NON-CURRENT LEASE AND CURRENT LEASE OBLIGATIONS

10.1. Maturity analysis of lease obligations

	Current lease obligations	Non-current lease obligations						
	Maturing in less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years and over	Total maturing after > 1 year
12/31/2023	**168**	171	145	112	78	50	147	**703**
12/31/2022	**143**	135	113	90	69	47	83	**537**

The table below shows the maturity of lease obligations based on undiscounted contractual cash flows:

	Current and non-current lease obligations								
	Carrying amount	Total un-discounted contractual cash flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years and over
12/31/2023	**871**	**1,012**	213	193	164	130	87	55	171
12/31/2022	**680**	**766**	161	142	123	99	72	47	122

10.2. Movement in lease obligations

	12/31/2022	Translation adjustments	Changes in scope of consoli-dation	Cash flows	New leases, lease modifications, and other lease-related movements	12/31/2023
Non-current lease obligations	537	(3)	(14)		183	703
Current lease obligations	143		32	(167)	160	168
TOTAL LEASE OBLIGATIONS	**680**	**(3)**	**18**	**(167)**	**343**	**871**

NOTE 11 – CURRENT LIABILITIES

11.1. Current liabilities

	12/31/2023	12/31/2022
Current debt(1)	57	40
Current lease obligations	168	143
Current tax liabilities	131	117
Trade payables	2,394	2,268
Customer contract liabilities(2)	1,272	1,032
Current provisions(3)	489	411
Other current liabilities, accruals/deferred income and similar:	1,524	1,459
amounts due to employees, social security and government	*1,135*	*1,019*
other non-financial liabilities	*389*	*440*
Overdrafts and short-term bank borrowings	183	548
Financial instruments – Hedging of debt	2	2
Other current financial liabilities	15	5
TOTAL	**6,235**	**6,025**

(1) See analysis in Note 8.
(2) See analysis below.
(3) See analysis in Note 6.2.

11.2. Customer contract liabilities

	12/31/2022	Translation adjustments	Changes in scope of consolida-tion & other movements	Movements arising from operating activities	12/31/2023
Advances and down-payments received on orders	467	(10)		223	680
Differences relating to percentage of completion on contracts[1]	565	(3)	(2)	32	592
TOTAL CUSTOMER CONTRACT LIABILITIES	**1,032**	**(13)**	**(2)**	**255**	**1,272**

(1) Principalement composés des produits constatés d'avance sur des contrats de construction.

NOTE 12 – SALES

12.1. Analysis by type of revenue

	2023 sales	2022 sales
Sales of goods	3,295	3,244
Sales of services	512	630
Construction contracts	12,208	11,655
SALES	**16,015**	**15,529**

There were no material exchanges of goods or services in 2023 or 2022, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

12.2. Order backlog

The order backlog represents the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensive conditions lifted).

The order backlog stood at €12,428 million as of December 31, 2023.

	12/31/2022	Translation adjustments	Changes in scope of consolidation	Other movements arising from operating activities	12/31/2023
ORDER BACKLOG	**11,718**	**(205)**	**(79)**	**994**	**12,428**
maturing within less than 1 year	6,877				6,865
maturing within 1 to 5 years	4,015				4,789
maturing after more than 5 years	825				774

NOTE 13 – OPERATING PROFIT

Current operating profit for 2023 includes rental expenses of approximately €814 million on leases exempt from IFRS 16. Most of that amount relates to short-term leases, or leases of assets with a low as-new value.

13.1. Other income and expenses from operations

	2023	2022
Profits transferred from/losses transferred to joint operations	34	50
Proceeds from asset disposals	384	241
Reversals of unutilized provisions and impairment	118	170
Other operating income (1)	394	454
OTHER INCOME FROM OPERATIONS	**930**	**915**
Profits transferred to/losses transferred from joint operations	(18)	(26)
Carrying amount of divested assets	(160)	(59)
Other operating expenses	(168)	(154)
OTHER EXPENSES ON OPERATIONS	**(346)**	**(239)**

(1) Mainly expenses recharged to partners in sociétés en participation and economic interest groupings.

13.2. Current operating profit and other operating income and expenses

	2023	2022
Current operating profit/(loss)	534	460
Other operating income	2	
Other operating expenses	(12)	
OPERATING PROFIT/(LOSS)	**524**	**460**

For 2023, the main items are the collective redundancy program implemented in La Réunion island, and the impact of the French pension reforms that raised the retirement age to 64.

NOTE 14 – COST OF NET DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

14.1. Analysis of cost of net debt

	2023	2022
Interest income relating to the net cash position	16	11
Income from short-term investments	5	1
Financial income	**21**	**12**
Interest expense relating to the net cash position	(46)	(21)
Interest expense on debt	(33)	(38)
Financial expenses	**(79)**	**(59)**
COST OF NET DEBT	**(58)**	**(47)**

14.2. Other financial income/(expenses), net

	2023	2022
Dividends received from non-consolidated companies	2	2
Reversals of financial provisions	4	
Proceeds from disposals of financial assets	4	2
Other income	2	8
Other financial income	**12**	**12**
Charges to financial provisions	(12)	(3)
Carrying amount of divested financial assets	(1)	(4)
Other expenses	(9)	(6)
Other financial expenses	**(22)**	**(13)**
OTHER FINANCIAL INCOME/(EXPENSES), NET	**(10)**	**(1)**

NOTE 15 – INCOME TAXES

15.1. Analysis of income tax expense

	2023	2022
Current taxes	(189)	(127)
Deferred taxes	24	7
Back tax, tax relief, and other taxes not related to profit or loss	1	(16)
Taxes on dividends	(5)	(6)
INCOME TAX EXPENSE, NET	**(169)**	**(142)**

15.2. Tax proof (reconciliation between theoretical and actual income tax expense)

The table below shows the reconciling items between (i) theoretical income tax expense determined using the standard rate applicable to the parent company, Colas SA (25.83% in 2023 and 2022) and actual income tax expense for the period:

	2023	2022
Net profit (100%)	**317**	**300**
Eliminations:		
Income tax	169	142
Share of net profits/(losses) of joint ventures and associates	(59)	(49)
Net pre-tax profit from continuing operations	**427**	**393**
Standard French tax rate for the year	25.8%	25.8%
Effect of permanent differences	3.2%	(0.2%)
Unrecognized deferred tax assets	13.2%	7.8%
Flat-rate taxes, taxes on dividends and tax credits	1.0%	5.7%
Differential tax rates and foreign taxes	(3.6%)	(2.9%)
EFFECTIVE TAX RATE	**39.6%**	**36.2%**

NOTE 16 – BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Because Colas shares have been withdrawn from listing, a diluted earnings per share calculation is no longer required.

NOTE 17 – SEGMENT INFORMATION AND OTHER FINANCIAL INDICATORS

17.1. Segment information

Because Colas shares have been withdrawn from listing, segment information is no longer required.

17.2. Other indicators

	2023	2022
Current operating profit/(loss)	**534**	**460**
Interest expense on lease obligations	(29)	(19)
Adjusted current operating profit/(loss)	**505**	**441**
Elimination of net depreciation and amortization expense and net charges to provisions and impairment losses		
- Net depreciation and amortization expense on property, plant and equipment and intangible assets	360	392
- Net charges to provisions & impairment losses	213	121
Elimination of items included in other income from operations		
- Reversals of unutilized provisions and impairment & other items	(118)	(170)
EBITDA AFTER LEASES	**960**	**784**

	2023	2022
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (i)	691	616
Acquisitions of property, plant & equipment and intangible assets, net of disposals (ii)	(55)	(178)
Repayment of lease obligations (iii)	(167)	(151)
FREE CASH FLOW (IV) = (I) + (II) + (III)	**469**	**287**

NOTE 18 – FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts as of December 31, 2023 for each category of hedging instrument used, split by final maturity (for interest rate hedges) and by currency (for currency hedges).

All open derivative positions were contracted for hedging purposes.

18.1. Hedges of interest rate risk

Interest rate swaps	Less than 1 year	Maturity 1 to 5 years	More than 5 years	Total 12/31/2023	Total 12/31/2022
On financial assets	-	-	-	-	-
On financial liabilities	145	38	57	**240**	348

Interest rate options	Less than 1 year	Maturity 1 to 5 years	More than 5 years	Total 12/31/2023	Total 12/31/2022
On financial assets	-	-	-	-	-
On financial liabilities	-	-	-	-	-

To ensure that the City of Portsmouth (UK) can pay a fixed monthly fee under the 25-year urban road network upgrade and maintenance contract, Colas has contracted an interest rate swap maturing in January 2028.

This swap (receive floating rate, pay fixed rate) has a nominal amount perfectly aligned on the drawdown and repayment profile of the non-recourse loan financing the contract, such that the fixed cost of the loan is matched with the monthly fee received. As of December 31, 2023, the swap had a notional amount of €31 million (£27 million).

Part of the interest rate hedging contracted by the Colas group is in the form of cyclical swaps (pay fixed rate), which are used to hedge the seasonal profile of the Group's debt. The average amount of the swaps over the life of the instruments is €153 million, and they expire on September 1, 2024.

18.2. Hedges of foreign exchange risk

	USD	GBP	CAD	HUF	JPY	Other items	12/31/2023	12/31/2022
Forward purchases	418	114	17	72	57	23	**701**	316
Forward sales	13	38	67	0	0	43	**161**	91

18.3. Hedges of commodities risk

	12/31/2023	12/31/2022
Forward purchases	**42**	7
Forward sales	**0**	0

18.4. Other hedges

	12/31/2023	12/31/2022
Cross-currency swap	**21**	22

A cross-currency swap was contracted in 2020 to hedge foreign exchange and interest rate risk on the debt carried in the books of Colvias Chile.

18.5. Market value of hedging instruments

The hedging portfolio was valued by an independent valuer using standard market practice.

As of December 31, 2023, the hedging instruments portfolio had a negative market value (net present value) of €11 million, including accrued interest. This mainly reflects the net present value of foreign exchange hedges, and comprises (€10) million for fair value hedges and (€1) million for cash flow hedges. The market value of other instruments (hedges of a net investment in a foreign operation, or not part of a hedging relationship) was immaterial at the end of the reporting period.

The negative market value of the interest rate swap contracted for the City of Portsmouth contract (€1 million, including accrued interest) is entirely offset by the €1 million positive market value of the derivative embedded in the fixed contractual fee paid by the customer.

Consequently, after taking account of the derivative embedded in the fixed contractual fee paid by the City of Portsmouth, the financial instruments portfolio has a negative market value of €-10 million (including accrued interest), presented in the balance sheet as follows:

	2023	2022
Financial instruments – Hedging of debt	6	8
Other current financial assets	1	7
Total financial instruments recognized as assets (a)	**7**	**15**
Financial instruments – Hedging of debt	2	2
Other current financial liabilities	15	5
Total financial instruments recognized as liabilities (b)	**17**	**7**
NET VALUE OF FINANCIAL INSTRUMENTS (A)-(B)	**(10)**	**8**

In the event of a +1% movement in the yield curve, the negative market value of the financial instruments portfolio (including accrued interest) would reduce from €11 million to €6 million; in the event of a -1% movement, it would increase to €16 million.

In the event of a uniform 1% adverse movement in the exchange rate of the euro against all the other currencies, the negative market value of the financial instruments portfolio (including accrued interest) would reduce from €11 million to €6 million.

In the event of a uniform 1% adverse movement in commodity prices, the financial instruments portfolio would still have a negative market value of €11 million (including accrued interest).

NOTE 19 – OFF BALANCE SHEET COMMITMENTS

This note supplements the disclosures provided in Notes 3, 4 and 8.

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

Guarantee commitments and other contractual commitments

Maturity	Less than 1 year	1 to 5 years	More than 5 years	Total 12/31/2023	Total 12/31/2022
Commitments given					
Guarantees and endorsements	241	44	5	290	298
Miscellaneous contractual commitments(1)(2)	72	43	84	199	231
Commitments received					
Contractual obligations				-	-
Collateral given					
Mortgages and pledges	9	30	26	65	57

(1) In the second quarter of 2021, Colas subsidiary McAsphalt Marine Transportation Ltd placed an order for the construction of a bitumen tanker ship. That represented an investment commitment of approximately $24 million (€22 million) as of December 31, 2023.
(2) As of December 31, 2023, committed orders placed for plant and equipment amounted to €28 million (versus €32 million as of December 31, 2022).

In addition, Colas SA issued guarantees during 2023 pursuant to Section 357 of the Irish Companies Act 2014, to cover commitments entered into by its subsidiaries Colas Teoranta, VIAE Ltd, Colas Bitumen Emulsion (East), Continental Bitumen Emulsion (West), Chemoran Ltd, Colas Contracting Ltd, Atlantic Bitumen Company Ltd, Street Sweep Ltd, Siac Bituminous Products Limited and Continental Bitumen Ltd.

NOTE 20 – EMPLOYEE BENEFIT OBLIGATIONS

20.1. Average headcount

The Group had an average headcount of 64,427 in 2023, compared with 60,823 in 2022.

The increase is largely due to the recent inclusion of “dormant” status workers, especially in the United States and Canada.

20.2. Employee benefit obligations

	12/31/2022	Movements during 2023	12/31/2023
Lump-sum retirement benefits	155	1	156
Long service awards and other benefits	62	3	65
Other post-employment benefits (pensions, net of plan assets)(1)	(36)	29	(7)
TOTAL	**181**	**33**	**214**

(1)As of December 31, 2023, the fair value of plan assets exceeded the present value of the obligation by €7 million (see Note 20.3.2).

20.3. Employee benefit obligations and post-employment benefit obligations (excluding long service awards)

20.3.1. Defined-contribution plans

	2023	2022
Amount recognized as an expense	1,075	1,025

Defined-contribution plan expense consists of contributions to:

– health insurance funds;

– pension funds (compulsory and supplementary schemes);

– unemployment insurance funds.

20.3.2. Defined-benefit plans

Obligations in respect of lump-sum retirement benefits and pension plans as of December 31, 2023 break down as follows:

	Lump-sum retirement benefits		Pensions	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Present value of obligation	156	155	535	518
Fair value of plan assets (dedicated funds)			(548)	(562)
Asset ceiling			6	8
NET (ASSET)/LIABILITY RECOGNIZED	**156**	**155**	**(7)**	**(36)**
of which: deficit recognized as a provision			15	10
of which: overfunded plans recognized as an asset			(22)	(46)
Ratio of plan assets to present value of obligation			102%	108%

The fair value of plan assets by investment category is as follows:

	12/31/2023		12/31/2022	
	€ million	**%**	**€ million**	**%**
Equity instruments	133	24%	171	30%
Debt instruments	299	55%	279	50%
Property	48	9%	51	9%
Investment funds	13	2%	26	5%
Cash	10	2%	14	2%
Other items	45	8%	21	4%
TOTAL	**548**	**100%**	**562**	**100%**

	Lump-sum retirement benefits		Pensions	
	2023	2022	**2023**	2022
Start of period (January 1)	**155**	**184**	**(36)**	**68**
Current and past service cost	1	6	(3)	3
Net interest cost	5	2	(2)	(5)
Total expense recognized	**6**	**8**	**(5)**	**(2)**
Translation adjustments			(1)	1
Changes in scope of consolidation				
Actuarial (gains)/losses recognized in equity(1)	(4)	(37)	38	(102)
Transfers between accounts & other	(1)		(3)	(1)
END OF PERIOD (DECEMBER 31)	**156**	**155**	**(7)**	**(36)**

(1) Corresponds to the €34 million of total actuarial losses on post-employment benefits reported in the statement of recognized income and expense. Of the €38 million actuarial losses on pensions in 2023, €16 million relate to provisions and €22 million to assets recognized on overfunded plans.

Actuarial gains and losses recognized in equity break down as follows:

	Lump-sum retirement benefits		Pensions	
	2023	2022	**2023**	2022
Effect of changes in demographic assumptions	1		(3)	
Effect of changes in financial assumptions	(5)	(37)	(1)	(220)
Effect of experience adjustments			16	30
Return on plan assets (excluding financial income)			29	91
Effect of asset ceiling			(3)	(3)
TOTAL	**(4)**	**(37)**	**38**	**(102)**

The amount of contributions to be paid to pension funds in 2023 is estimated at €13 million.

20.3.3. Main actuarial assumptions used for lump-sum retirement benefits, pensions and long service awards

	12/31/2023	12/31/2022
Discount rate for lump-sum retirement benefits and long service awards: IBoxx € Corporate A10	3.877%	3.563%
Discount rate for pensions	1.70% to 4.80%	1.95% to 5.20%
Lump-sum retirement benefits and long service awards: Salary inflation rate(1)	2.50%	2.50%
Pensions: Salary inflation rate(1)	1.00% to 4.00%	1.00% to 4.00%
Life table - women	Insee 2017-2019 Women	Insee 2012-2014 Women
Life table - men	Insee 2017-2019 Men	Insee 2012-2014 Men
Age on retirement: managerial grades	65	65
Age on retirement: technical, supervisory & clerical staff, and site workers	64	63

(1) Includes the general inflation rate.

The sensitivity of provisions for lump-sum retirement benefits and pensions to changes in discount rates is presented below:

Lump-sum retirement benefits (France)	**Impact of a 70 bp movement** decrease (€m)	increase (€m)
12/31/2023	**+12**	**-11**

Pensions (Other countries)	**Impact of a 50 bp movement** decrease (€m)	increase (€m)
12/31/2023	**+31**	**-29**

A rise of 50 basis points in the salary inflation rate for employees in France would require an increase of €9 million in the provision.

Any such impacts would be recognized in the statement of recognized income and expense.

20.3.4. Share-based payment

In 2023, options to subscribe for new Bouygues shares were awarded by Bouygues to certain employees of Colas and its subsidiaries.

NOTE 21 – DISCLOSURES ON RELATED PARTIES AND REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

21.1. Related-party disclosures

Identity of related parties

Parties with an ownership interest: Bouygues and its subsidiaries, equity investees and associates.
Joint operations: Sociétés en participation (construction project entities).
Joint ventures: Carrières Roy, Ibys, and various immaterial joint ventures.
Associates: Tipco Asphalt, Mak Mecsek and various immaterial associates.
Other related parties: Various non-consolidated companies owned by the Group.

Analysis of transactions with related parties

	Expenses		Income		Receivables		Liabilities	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Parties with an ownership interest	**84**	60	58	81	569	51	25	409
Joint operations	**19**	22	79	100	93	72	30	32
Joint ventures and associates	**19**	19	69	97	31	28	8	10
Other related parties	**127**	121	208	90	124	50	33	22
TOTAL	**249**	**222**	**414**	**368**	**817**	**201**	**96**	**473**
Due within less than 1 year					815		96	473
Due within 1 to 5 years					2		-	-
Due after more than 5 years					-		-	-

21.2. Disclosures about remuneration and benefits awarded to directors and senior executives in office on December 31, 2023

The senior executives covered by this disclosure are the members of the Strategic Committee.
As of December 31, 2023, the Strategic Committee had five members: the Chief Executive Officer, and four salaried executives.

Direct remuneration
The total amount of direct remuneration paid to the Strategic Committee in 2023 was €5 million (versus €4.5 million in 2022), of which €2.2 million was variable.

Post-employment benefits
The Chief Executive Officer is entitled to benefits under a vested-rights top-up pension scheme governed by Article L. 137-11-2 of the French Social Security Code, management of which is contracted out to an insurance company.

As of December 31, 2023, a provision of €237,298 had been recognized to cover the payment to be made to the insurance company in 2023 relating to the 2022 financial year.

Other senior executives:
The other members of the Strategic Committee belong to a top-up defined-contribution pension scheme (employer contribution = 5.6% of the executive's total remuneration, in a range of 3x to 12x the annual social security ceiling).
The increase in the provision for lump-sum retirement benefits during 2023 for those employees was €231,905.

Share-based payment
Senior executives were awarded a total of 89,000 Bouygues stock options in 2023.

Directors' remuneration (formerly known as "directors' fees")
The gross amount of remuneration paid to directors of Colas by Colas SA and Colas Group companies during 2023 was €219,921 (versus €230,900 in 2022).

NOTE 22 – ADDITIONAL INFORMATION ABOUT THE CASH FLOW STATEMENT AND CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES

22.1. Information on cash flows relating to acquisitions and divestments of subsidiaries

The main acquisitions during 2023 were PEB (Canada), Colas Freiberg Grusgrave (Denmark), and American Pavement and KRM (United States), acquired for a combined purchase price of €37 million.

The main divestment in the year was Branscome, sold for €50 million.

	2023	2022
Non-current assets	37	(122)
Current assets	(15)	22
Non-current liabilities	(57)	16
Current liabilities	48	(11)
Cash	1	(4)
PURCHASE PRICE OF CONSOLIDATED ACTIVITIES NET OF PROCEEDS FROM DIVESTMENTS	**14**	**(99)**
Cash of acquired or divested companies	(1)	4
Net liabilities related to consolidated activities	(7)	4
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**6**	**(91)**

22.2. Changes in working capital requirements related to operating activities

Changes in working capital requirements include movements in current provisions recognized in the balance sheet.

	2023	2022
Assets		
Inventories	71	(158)
Advances and down-payments made on orders	9	(28)
Trade receivables	74	(260)
Customer contract assets	2	(159)
Other current receivables and current financial assets	37	(21)
Sub-total: Assets(1)	**193**	**(626)**
Liabilities		
Trade payables	128	154
Customer contract liabilities	255	226
Current provisions	74	(23)
Other current liabilities and current financial liabilities	79	17
Sub-total: Liabilities(2)	**536**	**374**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES	**729**	**(252)**

(1)(Increase) / Decrease in working capital requirements related to operating activities.
(2) Increase / (Decrease) in working capital requirements related to operating activities.

NOTE 23 – LITIGATION AND CLAIMS

23.1. Significant litigation and claims

Colas group companies are involved in a variety of litigation and claims in the normal course of their business. Risks are assessed on the basis of past experience and analysis by the Group's in-house legal departments and external counsel. As far as Colas is aware, there is at present no exceptional event, dispute or claim likely to have a significant negative impact on the business, assets and liabilities, results or financial structure of the Group as a whole. Disputes and claims are subject to regular review, especially when new facts arise. The provisions recorded in the financial statements appear to be adequate in light of these assessments. The Group uses all legal means to defend its legitimate interests. Details about which claims are or are not covered by provisions have not been disclosed, since such disclosure might affect the outcome of some ongoing claims.

23.1.1. France: URSSAF inspections

The group no longer discloses the disputes with URSSAF (French social security authorities) that were disclosed in previous annual reports, because they do not represent a single major risk but rather an accumulation of multiple unconnected disputes that are individually immaterial.

23.1.2. Hungary: Competition Council case and related claims for damages

Between 2004 and 2012, the Hungarian Competition Council issued a ruling against around ten Hungarian companies, including subsidiaries of Colas, for illegal collusion in bidding for public sector contracts.

The penalties imposed have been paid.

Following on from those decisions, some Hungarian sub-subsidiaries of Colas have received claims from several companies seeking damages in the Hungarian courts as compensation for loss suffered as a result of the collusion.

A case involving those subsidiaries in respect of a motorway construction project is currently pending; as part of that case, the Hungarian Supreme Court decided on January 25, 2023 that the Hungarian State, as a plaintiff, was not statute-barred. The case will resume on the merits. In the event of an adverse outcome, the risk for Colas could amount to one-third of the award; the initial claim by the Hungarian state amounted to approximately €15 million in principal.

23.1.3. Canada: tax dispute in respect of technical assistance invoiced by Colas to its subsidiary Colas Canada Inc.

The Canada Revenue Agency is disputing the deductibility of the technical assistance costs invoiced by Colas (as parent company) to its subsidiary Colas Canada Inc, claiming inter alia that the amount of the costs is excessive and the supporting documentation insufficient.

The French and Canadian tax authorities have reached an agreement, accepted by Colas SA and Colas Canada Inc., confirming that the vast majority relates to the billing rate covered by the dispute for the years 2008 to 2016.

23.1.4. International: complaint filed by Colas Rail in relation to an international project

In 2017, an internal audit followed by an external investigation requested by Colas Rail (a subsidiary of Colas) revealed that suspicious payments in euros and in local currency had been made by a foreign subsidiary of Colas Rail to local consultants.

The contracts with these consultants were terminated and all payments prohibited. In agreement with the customer, Colas Rail transferred the construction contract, with no material impact for the Colas group.

Colas Rail filed a complaint in France, and an investigation into that complaint is ongoing.

23.2. Injunctions or pecuniary sanctions for anti-competitive practices

In accordance with Article L. 464-2 of the French Commercial Code, it is confirmed that Colas is not subject to any injunction or pecuniary sanctions for anti-competitive practices issued by the French Competition Authority and required by that Authority to be disclosed in the annual report.

NOTE 24 – AUDITORS' FEES

Colas is audited by Mazars and PricewaterhouseCoopers Audit, appointed as statutory auditors by the Annual General Meetings of April 25, 2001 and April 17, 2019, respectively.

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of the Colas group (parent company and subsidiaries).

	Mazars		PwC	
	2023	2022	**2023**	2022
A – Audit				
Colas SA	0.2	0.2	0.2	0.2
Subsidiaries	4.6	4.4	3.7	3.6
Sub-total	**4.8**	**4.6**	**3.9**	**3.8**
B – Non-audit services[1]		**0.1**		
TOTAL	**4.8**	**4.7**	**3.9**	**3.8**

(1) Non-audit services: primarily tax engagements for various international subsidiaries.

NOTE 25 – LIST OF PRINCIPAL CONSOLIDATED COMPANIES

Unless indicated as being accounted for by the equity method, all the companies listed are consolidated as subsidiaries.

Company	Registered office	% interest 2023	% interest 2022
France			
Mainland France			
Colas France	Paris (75)	100.0	100.0
Aximum	Magny-les-Hameaux (78)	100.0	100.0
Spac	Nanterre (92)	100.0	100.0
Colas Rail	Courbevoie (92)	100.0	100.0
Société de la Raffinerie de Dunkerque	Dunkerque (59)	100.0	100.0
Colas Digital Solutions	Vélizy-Villacoublay (78)	100.0	100.0
French overseas departments			
Grands Travaux Océan Indien GTOI	Le Port - Réunion Island	100.0	100.0
Société de Concassage et Préfabrication de La Réunion SCPR	Le Port - Réunion Island	100.0	100.0
Colas Mayotte	Mamoudzou – Mayotte	100.0	100.0
Colas Martinique	Le Lamentin – Martinique	100.0	100.0
Sogetra	Les Abymes – Guadeloupe	100.0	100.0
Ribal Travaux Publics	Cayenne – Guyana	100.0	100.0
French overseas territories			
Société Colas de Nouvelle-Calédonie	Nouméa – New Caledonia	100.0	100.0
Europe (excluding France)			
Colas Belgium	Brussels – Belgium	100.0	100.0
Colas Danmark A/S	Glostrup – Denmark	100.0	100.0
Colas Ltd.	Birmingham – United Kingdom	100.0	100.0
Colas Hungaria	Budapest – Hungary	100.0	100.0
Colas Polska	Sroda Wielkopolska – Poland	100.0	100.0
Colas CZ	Prague – Czech Republic	99.1	99.1
Colas Slovakia	Kosice – Slovakia	99.6	99.6
Colas Teoranta	Dublin – Irish Republic	100.0	100.0
Colas Suisse Holding SA	Lausanne – Switzerland	99.2	99.2
Destia Oy	Helsinki - Finland	100.0	100.0
Mak Mecsek zrt (equity method)	Budapest – Hungary	30.0	30.0
North America			
Colas Canada Inc.	Toronto, Ontario – Canada	100.0	100.0
Colas Inc.	Morristown, New Jersey – United States	100.0	100.0
Africa – Indian Ocean			
Colas Gabon	Libreville – Gabon	89.9	89.9
Colas Madagascar	Antananarivo – Madagascar	100.0	100.0
Colas Africa	Cotonou – Benin	100.0	100.0
Transinvest Construction Ltd.	Petite Rivière – Mauritius	100.0	100.0
Gamma Materials (equity method)	Beau Bassin – Mauritius	50.0	50.0
Colas du Maroc	Casablanca – Morocco	100.0	100.0
Grands Travaux Routiers	Rabat – Morocco	67.9	67.9
Colas Africa Holdings	Cape Town – South Africa	100.0	100.0
Asia			
Tipco Asphalt (equity method)	Bangkok – Thailand	31.1	31.1
Hincol (equity method)	Mumbai – India	30.0	30.0
Colas Australia Group	Sydney – Australia	100.0	100.0

Statutory Auditors' report on the consolidated financial statements

Fiscal year ended December 31, 2023

To the Shareholders' Meeting of
COLAS SA
1 Rue du Colonel Pierre Avia
75015 Paris (France)

OPINION

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 reasonable basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

BASIS FOR OUR 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 reasonable basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for in the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2023 to the date of our report.

Justification of assessments

Pursuant to Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we hereby bring to your attention the following assessments which, in our professional judgment, were of the greatest significance for our audit of the consolidated financial statements for the fiscal year.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Accounting estimates

Construction contracts (Notes 2.13.1, 4.2, 11.2 and 12 in the notes to the consolidated financial statements)
The Group recognizes profit or loss on construction contracts as set out under "Accounting principles and policies – Definition of revenue" in Note 2.13.1 to the consolidated financial statements. This profit or loss depends on estimates of the position on completion of the contract in question and on the methods used by the Group to determine progress. Based on the information provided to us, our work notably consisted of assessing the data and assumptions on which estimates of profit or loss on completion are based and evaluating the key checks carried out by the Group to measure profit or loss on completion. In the course of our work, we assessed the reasonableness of the estimates used and of the resulting profits or losses recognized on a percentage-of-completion basis.

Non-current provisions for litigation and claims (Notes 2.11.3 and 6.1 to the consolidated financial statements)
As set out in Notes 2.11.3 and 6.1 to the consolidated financial statements, the Group sets aside provisions for litigation and claims to cover the cost of litigation, disputes and related contingencies that might foreseeably arise in connection with its business. Based on the information available to date, our assessment of these provisions relied primarily on a review of the position and of the assumptions used in measuring provisions.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

RESPONSIBILITIES OF MANAGEMENT AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare consolidated financial statements that give a true and fair presentation in accordance with International Financial Reporting Standards as endorsed by the European Union and to implement such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and applying the going concern basis of accounting unless it is expected to liquidate the Company or cease trading.

The consolidated financial statements have been approved for publication by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

It is our responsibility 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 is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not involve guaranteeing the viability of the Company or how it is managed.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit.
In addition, the Statutory Auditor:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses 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 his audit report, with the caveat that future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, the Statutory Auditor is required to draw attention in the Statutory Auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that gives a true and fair view of them.

- Obtains what the Statutory Auditor considers sufficient appropriate audit evidence regarding the financial information of the entities or business activities included in the scope of consolidation to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on those consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 21, 2024

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit		**MAZARS**	
Edouard Sattler	Amélie Jeudi de Grissac	Jean-Marc Deslandes	Blandine Rolland

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French. It is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required under European regulations and French law, such as information about the appointment of the Statutory Auditors and the verification of information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual financial statements of Colas SA

1. Balance sheet as of December 31

		12/31/2023			12/31/2022
(€ million)	**Notes**	**Gross value**	**Depreciation, amortization & impairment**	**Carrying amount**	**Carrying amount**
Intangible assets		34	16	18	18
Property, plant and equipment		142	91	51	93
Holdings in subsidiaries and affiliates		2,600	494	2,106	2,160
Loans and advances to subsidiaries and affiliates		90		90	91
Other long-term investments		9		9	3
Non-current assets	3	**2,875**	**601**	**2,274**	**2,365**
Inventories		3		3	3
Trade receivables		63		63	86
Group and associates		414	142	272	320
Other receivables and accrual accounting adjustments		60		60	25
Cash		534		534	3
Current assets	4	**1,074**	**142**	**932**	**437**
TOTAL ASSETS		**3,949**	**743**	**3,206**	**2,802**
Share capital				49	49
Share premium and reserves				1,395	1,295
Net profit/(loss) for the period				151	339
Restricted provisions booked solely for tax purposes				12	10
Shareholders' equity	6			**1,607**	**1,693**
Provisions for risks and charges	7			50	92
Debt				3	3
Advances and down-payments received on orders					
Trade creditors	8			49	40
Group and associates	8			1,422	693
Other non-financial liabilities and accrual accounting adjustments	9			68	78
Overdrafts and short-term bank borrowings				7	203
Liabilities				**1,599**	**1,017**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				**3,206**	**2,802**

2. Income statement for the year

(€ million)	Notes	31/12/2023	31/12/2022
Sales	10	208	231
Reversals of provisions, depreciation & amortization, and cost transfers		27	29
Other income from operations		5	17
Purchases used in production		(5)	(6)
External charges		(129)	(112)
Personnel costs		(83)	(75)
Taxes other than income tax		(7)	(8)
Net depreciation & amortization expense		(7)	(9)
Net charges to provisions & impairment losses		(6)	(2)
Other expenses on operations		(1)	(8)
Operating profit		**2**	**57**
Financial income		348	359
Financial expenses		(262)	(106)
Net financial income/(expense)	11	**86**	**253**
Current profit		**88**	**310**
Exceptional income		122	83
Exceptional expenses		(42)	(25)
Exceptional items, net	12	**80**	**58**
Employee profit-sharing		-	(2)
Income tax expense	13	(17)	(27)
NET PROFIT FOR THE YEAR		**151**	**339**

3. Notes to the Colas SA annual financial statements

CONTENTS

Figures are expressed in millions of euros (€M) unless otherwise indicated.

NOTE 1 - GENERAL INFORMATION ABOUT THE COMPANY

Information about the company

Colas is a société anonyme (a form of public limited company) registered in France.

On February 21, 2024, the Board of Directors closed off the accounts and authorized publication of the Colas financial statements for the year ended December 31, 2023.

Significant events of 2023

Asset disposals

A total of 64 sites were sold for an amount of €120 million, generating a capital gain of €81 million that was recognized as an exceptional item (see Note 12).

Public tender offer and squeeze-out for Colas shares

On September 20, 2023, following a Board meeting held on September 17, 2023, Bouygues filed with the Autorité des Marchés Financiers (AMF) a draft public tender offer followed by a squeeze-out for the Colas shares not already held by Bouygues (except for treasury shares) at a price of €175 per share (collectively the "Offer"). The price of €175 per Colas share, representing a total amount of approximately €180 million and payable exclusively in cash, built in the following levels of premium:

- 54.2% to the quoted market price of Colas shares at close of business on September 15, 2023; and
- 52.2%, 50.1% and 50.4% to the volume-weighted average price of Colas shares on the last 60, 120 and 240 trading days respectively preceding announcement of the Offer.

The transaction is intended to simplify the ownership structure of Colas and of the Bouygues group.

On November 22, 2023, the AMF issued its decision validating the draft public tender offer.

The public tender offer period ran from November 20, 2023 through December 5, 2023, and enabled Bouygues to acquire 595,828 Colas shares.

The squeeze-out took place on December 22, 2023, enabling Bouygues to acquire the remaining 433,281 shares.

Following completion of the squeeze-out, the Bouygues group owns 100% of the capital of Colas (except for treasury shares), and Colas shares have been withdrawn from listing.

Reminder of the significant events of 2022

A total of 38 sites were sold for an amount of €69 million, generating a capital gain of €50 million that was recognized as an exceptional item.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Basis of preparation of the financial statements

The annual financial statements of Colas SA have been prepared in accordance with the current provisions of French law, in compliance with the prudence principle and applying the following fundamental concepts:

- going concern;
- consistency of accounting policies from one period to the next;
- accruals basis of accounting.

The annual financial statements have been prepared in accordance with ANC Regulation 2014-03 on the Plan Comptable Général, and with the general rules for the preparation and presentation of annual financial statements. The basic method used for measuring items recorded in the books of account is the historical cost method.

Foreign currency translation

Transactions in foreign currencies are recognized at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are recognized at the exchange rate prevailing at the end of the reporting period.

Intangible assets

Intangible assets mainly comprise patents and trademarks. They are recognized at acquisition cost.

Start-up costs and research costs are expensed as incurred. Development expenses are capitalized where the criteria for capitalization are met.

Trading goodwill and leasehold rights are not amortized, but are written down through an impairment allowance where required by economic circumstances.

Property, plant and equipment

Property, plant and equipment is carried at acquisition cost net of accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset, or of the components of the asset if they have different useful lives. Land is not depreciated.

Non-operating buildings	20 to 40 years
Industrial buildings	10 to 20 years
Plant, equipment and tooling	5 to 20 years
Other property, plant and equipment (vehicles and office equipment)	3 to 10 years

Colas SA applies ANC regulation 2015-06 in accounting for negative merger premium.

Long-term investments

Holdings in subsidiaries and affiliates are recognized at cost, including directly attributable acquisition costs.

They are also measured at value in use, determined using objective criteria, forecast data, or any other information indicative of the actual value of the asset.

The valuation of holdings in subsidiaries and affiliates is assessed annually, and if acquisition cost exceeds value in use an impairment allowance is recognized to cover that excess. If a subsidiary or affiliate becomes impaired, the equity interests are written down first, followed by any loans and advances to that subsidiary or affiliate. In addition, Colas recognizes a provision for risks if necessary, and if there is a formal or constructive obligation to recapitalize a subsidiary or affiliate.

Loans and advances to subsidiaries and affiliates, and other long-term investments, are carried at face value net of any impairment allowances.

Inventories

Inventories are measured at the lower of cost or net realizable value.

Cost includes all acquisition and transformation costs.

Acquisition cost includes the purchase price, customs duties and other non-recoverable taxes and duties, and transport and handling costs incurred to bring inventories to their current location.

On subsequent measurement, cost is calculated using the first in first out method.

Net realizable value is the estimated selling price of the product less the estimated costs to complete and sell it.

Trade receivables

Trade receivables, which generally have payment terms of between 30 and 90 days, are recognized at their initial value less any impairment allowances judged necessary in the event of a risk of non-recovery.

Other receivables and accrual accounting adjustments

Accrual accounting adjustments include deferred taxes recoverable in future periods, and prepaid expenses.

Own shares

Own shares held by Colas SA under the liquidity contract are recorded in "Short-term investments", and are carried in the balance sheet at the lower of acquisition cost or realizable value. Realizable value is the average quoted market price for the last month of the year.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and deposits and short-term investments with an initial maturity of less than three months.

Short-term investments are measured at acquisition cost, and written down through an impairment allowance if their market value is less than acquisition cost.

Financial instruments

Colas SA uses hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates.

These instruments share the following characteristics:

- they are limited to the following products: (i) forward currency purchases and sales, currency swaps, and purchases of currency options for currency risk hedging purposes; and (ii) interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes;
- they are used solely for hedging and pre-hedging purposes;
- they are contracted solely with high-quality French and foreign banks;
- they carry no liquidity risk in the event of reversal.

The company applies ANC regulation 2015-05 on forward financial instruments and hedging.

Provisions for risks and charges

Provisions are recognized where Colas has a present obligation, whether legal or constructive, as a result of a past or ongoing event and it is probable that an outflow of cash will be required to settle the obligation.

They mainly comprise:

- provisions for miscellaneous risks (including litigation and claims) and for risks relating to loss-making subsidiaries (recognized when impairment allowances against equity interests and against loans and advances to the subsidiary are insufficient to cover the subsidiary's negative net assets); and
- provisions for charges, which include employee benefits such as bonuses, lump-sum retirement benefits, and long service awards.

Lump-sum retirement benefits

Colas SA records a provision for lump-sum retirement benefits. The liability recognized in the balance sheet represents the net present value of the obligation, after adjusting for actuarial gains and losses and for unrecognized past service cost. The present value of the obligation for defined-benefit plans is determined by discounting the estimated future cash outflows at an interest rate for high-quality corporate bonds that (i) are denominated in the currency in which the benefits will be paid and (ii) have a maturity close to the estimated average maturity of the retirement benefit.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are amortized using the corridor method over the average residual period during which plan members are expected to remain employed by the company; only the portion of such gains and losses that exceeds 10% of the net present value of the obligation is amortized.

Following the November 2021 update to ANC recommendation 2013-02, benefits are allocated on a straight-line basis over the period from the date when an employee's entitlement begins through to retirement age, in cases where the amount of benefit is capped.

Long service awards

Colas SA has a long-standing and systematic policy of awarding long service bonuses, which are covered by a provision. The calculation method is based on individual projections and takes into account (i) employee turnover and (ii) estimated mortality, based on mortality tables.

The main actuarial assumptions used to calculate obligations in respect of lump-sum retirement benefit obligations and long service bonuses are:

	2023	2022
Discount rate (iBoxx € corporate)	3.877%	3.563%
Life table – men	Insee 2017-2019	Insee 2012-2014
Life table – women	Insee 2017-2019	Insee 2012-2014
Age on retirement: managerial grades	65	65
Age on retirement: technical, supervisory & clerical staff, and site workers	64	63
Salary inflation rate	2.5%	2%

Supplementary pension plans

Obligations under defined-contribution supplementary post-employment benefit plans are covered by regular payments made by the company to independent pension fund managers and recognized in profit or loss as and when they are made.

Sales

Sales represents the aggregate amount of sales of goods and supplies of services to Colas subsidiaries and affiliates.

Income taxes

In accordance with OEC recommendation no. 1.20 of February 1987, Colas SA recognizes deferred taxes with the exception of those arising on (i) restricted provisions booked solely for tax purposes and (ii) investment grants.

Deferred taxes are recognized using the balance sheet liability method on all taxable or deductible temporary differences existing at the end of the reporting period.

Taxable or deductible temporary differences include:

- all differences between (i) the tax base of assets and liabilities and (ii) their carrying amount in the balance sheet;
- tax loss carry-forwards and tax credits not yet used.

If the net deferred tax position represents an asset, that asset is not recognized in the balance sheet unless it is highly probable that it will be recovered in future periods.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Consolidation

Colas SA is consolidated by the Bouygues group, the parent company of which is Bouygues SA: (SIRET no. 572 015 246 000216), 32 Avenue Hoche, 75008 Paris (France).

NOTE 3 – NON-CURRENT ASSETS

	January 1, 2023	Acquisitions and other increases	Disposals and other reductions	Charges and reversals	December 31, 2023
Intangible assets					
Gross value	33	1			34
Amortization and impairment	(15)			(1)	(16)
Carrying amount	**18**	**1**		**(1)**	**18**
Property, plant and equipment					
Gross value	210	4	(72)		142
Depreciation	(117)			26	(91)
Carrying amount	**93**				**93**
Holdings in subsidiaries and affiliates					
Gross value(1)	2,569	31			2,600
Impairment	(409)			(85)	(494)
Carrying amount	**2,160**	**31**		**(85)**	**2,106**
Loans and advances to subsidiaries and affiliates					
Gross value	91	12	(13)		90
Impairment					
Carrying amount	**91**	**12**	**(13)**		**90**
Other long-term investments					
Gross value	3	6			9
Impairment					
Carrying amount	**3**	**6**			**9**
TOTAL: NON-CURRENT ASSETS	**2,365**	**54**	**(85)**	**(60)**	**2,274**

(1) Mainly due to recapitalizations of subsidiaries.

NOTE 4 – CURRENT ASSETS

	Gross value	Impairment	2023 Carrying amount	2022 Carrying amount
Inventories	**3**		**3**	**3**
Trade receivables	**63**		**63**	**86**
Group and associates	**414**	**(142)**	**272**	**320**
Other receivables and accrual accounting adjustments	**60**		**60**	**25**
of which advances and down-payments	1		1	1
of which other receivables	50		50	21
of which other accrual accounting adjustments	7		7	1
of which deferred tax assets	2		2	2
Short-term investments, cash and cash equivalents	**534**		**534**	**3**
of which short-term investments	2		2	2
of which cash and cash equivalents	532		532	1
TOTAL: CURRENT ASSETS	**1,074**	**(142)**	**932**	**437**

NOTE 5 – FINANCIAL INSTRUMENTS

Colas SA's financial instruments had a negative net value of €6 million as of December 31, 2023.

The tables below show aggregate notional amounts for each type of financial instrument used as of December 31, 2023, including a split by currency for currency hedges.

Hedges of foreign exchange risk

	US(1)	HUF(1)	CAD(1)	GBP(1)	Other(1)	12/31/2023
Forward purchases	292	72	-	-	-	364
Forward sales	6	-	13	8	11	38

(1) Equivalent value in euros

Hedges of interest rate risk

Interest rate swaps	Maturity Less than 1 year	1 to 5 years	More than 5 years	Total 12/31/2023	Total 12/31/2022
On financial assets	-	-	-	-	-
On financial liabilities	133	-	-	133	200

The interest rate hedges contracted by Colas SA are cyclical swaps (pay fixed rate), which are used to hedge the seasonal profile of the Group's debt. The average amount of the swaps over the life of the instruments is €153 million and they expire on September 1, 2024.

NOTE 6 – SHAREHOLDERS' EQUITY

Composition of the share capital

The share capital of Colas as of December 31, 2023 was €48,981,748.50.
It consists of 32,654,499 shares with a par value of €1.50, all ranking equally (although registered shares held by the same shareholder for more than two years carry double voting rights).

Own shares held as of December 31, 2023

Colas SA held 13,239 of its own shares at a carrying amount of €1,650,036.90, classified as short-term investments.

Movements during the period

	Number of shares	Share capital
January 1, 2023	(in euros)	48,981,748.50
Movements during 2023	-	-
DECEMBER 31, 2023	**32,654,499**	**48,981,748.50**

The Bouygues group holds 100% of the shares and voting rights of Colas SA (excluding own shares held).

Change in shareholders' equity

	January 1, 2023	Change of accounting policy	Appropriation by AGM[1]	Net profit for the period & other movements	December 31, 2023
Share capital	**49**				**49**
Share premium	406				406
Revaluation reserve	2				2
Legal reserve	5				5
Non-distributable reserve	1				1
Other reserves	13				13
Retained earnings	869		99		968
Share premium and reserves	**1,295**		**99**		**1,395**
Net profit/(loss) for the period	339		(339)	151	151
Restricted provisions booked solely for tax purposes	10			2	12
TOTAL SHAREHOLDERS' EQUITY	**1,693**		**(240)**	**153**	**1,607**

(1) Distribution of a dividend of €7.35 per share, i.e. €240,010,567.65.

NOTE 7 – PROVISIONS FOR RISKS AND CHARGES

	January 1, 2023	Change of accounting policy	Charges to provisions	Reversals (provisions used)	Reversals (provisions not used)	December 31, 2023
Litigation and claims	4		1	(1)	(2)	2
Risks relating to subsidiaries and affiliates	63		19	(60)		22
Other provisions for risks	1					1
Provisions for risks	**68**		**20**	**(61)**	**(2)**	**25**
Retirement benefits and similar obligations	24					1
Provisions for charges	**24**		**1**			**25**
TOTAL	**92**		**21**	**(61)**	**(2)**	**50**

NOTE 8 – RECEIVABLES AND LIABILITIES BY MATURITY

	Net amounts	Less than 1 year	1 to 5 years	More than 5 years
Non-current receivables	99	96	1	2
Current receivables	395	395		
RECEIVABLES	**494**	**491**	**1**	**2**
Debt	3	3		
Other liabilities	1,526	1,526		
LIABILITIES	**1,529**	**1,529**		

NOTE 9 – OTHER NON-FINANCIAL LIABILITIES AND ACCRUAL ACCOUNTING ADJUSTMENTS

	2023	2022
Tax and employee-related liabilities	42	61
Amounts payable in respect of non-current assets	1	4
Other liabilities	11	4
Deferred income and other accrual accounting adjustments	14	9
TOTAL	**68**	**78**

NOTE 10 – ANALYSIS OF SALES

	France	International	2023	2022
Sales of goods	3	2	5	3
Sales of services[1]	108	95	203	228
SALES	**111**	**97**	**208**	**231**

(1) Sales of services to subsidiaries and affiliates.

NOTE 11 – FINANCIAL INCOME AND EXPENSES

	2023	2022
Income from subsidiaries and affiliates	244	317
Net interest income/(expense)	(19)	
Other movements in financial provisions[1]	(142)	(63)
Net proceeds from disposals of short-term investments		-
Net foreign exchange differences	3	(1)
NET FINANCIAL INCOME/EXPENSE	**86**	**253**

(1) This amount corresponds to impairment allowances against equity interests in, and loans and advances to, subsidiaries of Colas SA.

NOTE 12 – EXCEPTIONAL ITEMS

	2023	2022
Gains/(losses) on non-recurring disposals of non-current assets (land, buildings, long-term investments)[1]	82	58
Other income/(expenses) on management transactions (net)	(1)	1
Movements in exceptional provisions	(1)	(1)
EXCEPTIONAL ITEMS, NET[1]	**80**	**58**

(1) €82 million from sale of property, including the sale of 64 sites for €120 million, generating a capital gain of €81 million.

NOTE 13 – INCOME TAX EXPENSE

Analysis of income tax expense

	2023	2022
Tax payable for the current year	(24)	(26)
Back tax and tax reliefs from prior years	6	-
Deferred taxes	(1)	(1)
INCOME TAX EXPENSE	**(17)**	**(27)**

Colas is included in the Bouygues SA group tax election pursuant to Articles 223a et seq of the French General Tax Code. That agreement applies for a period of five financial years from January 1, 2022 to December 31, 2026, and is automatically renewable. Income tax expense is calculated as though Colas SA was not included in the group tax election.

Split of income tax expense between current profit and exceptional items

	Pre-tax profit	Income tax due	Net profit after tax
Current profit (after employee profit-sharing)	88	4	92
Exceptional items	80	(21)	59
TOTAL	**168**	**(17)**	**151**

Analysis of deferred taxes

	Temporary differences
Non-current assets	(2)
Current assets	1
Temporarily non-deductible provisions for risks and charges	23
Tax losses available for carry-forward	-
Total deferred tax base	**22**
Income tax rate	25.83%
DEFERRED TAXES AT END OF PERIOD	**6**
Impact of future enacted tax rates	-
Deferred taxes at start of period	5
Deferred tax (gain)/expense	1

NOTE 14 – IMPACT OF TAX EXEMPTIONS ON PROFIT OR LOSS

Net profit for the period	151
Charges to restricted provisions	2
Reversals of restricted provisions	(1)
Impact on income taxes	
NET PROFIT BEFORE IMPACT OF TAX EXEMPTIONS	**152**

NOTE 15 – OFF BALANCE SHEET COMMITMENTS

Commitments

	Guarantees	Letters of intent	Total
Subsidiaries and affiliates	1,235	8	1,243
Other related undertakings			
Third parties	1		1
Commitments given	**1,236**	**8**	**1,244**
Commitments received			
Operating lease commitments			

Colas SA issued guarantees during 2023 pursuant to Section 357 of the Irish Companies Act 2014, to cover commitments entered into by its subsidiaries Colas Teoranta, VIAE Ltd, Colas Bitumen Emulsion (East), Continental Bitumen Emulsion (West), Chemoran Ltd, Colas Contracting Ltd, Atlantic Bitumen Company Ltd, Street Sweep Ltd, Siac Bituminous Products Limited and Continental Bitumen Ltd.

Collateral pledged as security for liabilities : None.

NOTE 16 – HEADCOUNT AND REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

Average headcount

	2023	2022
Managerial staff	403	406
Administrative, clerical, technical and supervisory staff	71	71
TOTAL	**474**	**477**

Remuneration of directors and senior executives

Remuneration of executive officers

Gross remuneration (fixed remuneration and benefits in kind) paid to executive officers in 2023 (Frédéric Gardès as Chairman & Chief Executive Officer until September 16, 2023, and Pierre Vanstoflegatte as Chief Executive Officer from September 17, 2023) was €963,445. Because the executive officers of Colas SA are employees of Bouygues SA, those components of their remuneration are recharged to Colas by Bouygues SA.

The variable remuneration of the executive officers (Frédéric Gardès as Chairman & Chief Executive Officer until September 16, 2023, and Pierre Vanstoflegatte as Chief Executive Officer from September 17, 2023), as determined by the Board of Directors on February 21, 2024 in light of actual performances achieved, amounts to €2,197,667. That variable remuneration will be paid by Bouygues SA to Frédéric Gardès and Pierre Vanstoflegatte in 2024, and will be recharged to Colas.

The executive officers belong to a vested-rights top-up pension scheme governed by Article L. 137-11-2 of the French Social Security Code. A provision of €237,298 was recognized as of December 31, 2023 to cover the payment to be made to the insurance company in 2024 in respect of the 2023 financial year.

Pascal Grangé, Chairman of the Board of Directors from 17 September 2023, held office unpaid during 2023. However, he received remuneration of €23,535.34 for serving as a director during 2023.

Remuneration for serving as a director

The gross amount of remuneration paid to the directors in 2023 in respect of 2023 was €219,921.

NOTE 17 – AUDITORS' FEES

	Mazars		PwC	
	2023	2022	**2023**	2022
Audit of annual and consolidated financial statements	0.2	0.2	0.2	0.2
Other services				
TOTAL	**0.2**	**0.2**	**0.2**	**0.2**

NOTE 18 – HOLDINGS IN SUBSIDIARIES AND AFFILIATES

(€ million)	Share capital	Other share-holders' equity	% held[1]	Carrying amount Gross	Carrying amount Net	Loans and advances made	Guar-antees given	Sales	Net profit/(loss) for year	Dividend received
1. French subsidiaries										
Colas France	54	551	100.0	26	26		-	4,228	134	113
Aximum	22	12	100.0	90	90			247	2	
Spac	5	4	100.0	14	7	2		146	(4)	
Colas Rail	220	(80)	100.0	456	456	50		286	(8)	2
Sté Raffinerie de Dunkerque	41	(104)	100.0	21	-	2			(6)	
Colas Projects	1	(15)	100.0	67	-	32	89	6	(15)	
G.T.O.I.	11	(14)	100.0	32	32	16		172	(11)	
S.C.P.R.	1	27	100.0	30	30			48	1	1
Ribal Travaux Publics	8	17	100.0	8	8		31	74	4	3
Gouyer	2	2	100.0	48	20			-	1	1
Sogetra		10	100.0	4	4			38	1	1
Other French subsidiaries[2]				304	303	72	6			21
Total French subsidiaries				**1,100**	**976**	**174**	**126**			**142**
2. French affiliates										
French affiliates				1	-	-				
Total French affiliates				**1**	**-**	**-**				
3. Foreign subsidiaries										
Colas Danmark	3	42	100.0	71	48			141	3	
Destia Oy	17	39	100.0	259	259		47	560	19	7
Colas Ltd	31	(2)	100.0	45	45	8		318	18	
Colas Belgium	38	34	100.0	123	40	15	47	154	7	
Colas Slovakia	88	(73)	100.0	87	15			100		
Colas Hrvatska	19	4	100.0	51	24			69	2	
Colas Africa	23	(23)	100.0	101	-	90		10	(8)	
Colas Canada	275	526	100.0	286	286		172	2,295	115	26
Colas Inc	0	610	100.0	143	143			2,250	96	
Colas Australia Group PTY Ltd	2	49	100.0	68	68				(1)	9
Other foreign subsidiaries				202	139	74	780			64
Total foreign subsidiaries				**1,436**	**1,067**	**187**	**1,046**			**106**
4. Foreign affiliates										
Foreign affiliates				63	63					
Total foreign affiliates				**63**	**63**					
GRAND TOTALS				**2,600**	**2,106**	**361**	**1,172**			**248**

(1) Direct and indirect holdings.
(2) 26% of the gross value of holdings in French subsidiaries?

NOTE 19 – LIST OF INVESTMENTS

Name	Number of shares	Estimated realizable value (€ '000)
Colas France	7,449,383	25,682
Aximum	29,300,000	90,104
Spac	5,100,000	7,330
Colas Bitumen France	6,037,000	5,710
Colas Rail	220,312,762	456,385
Colas Projects	1,212,499	-
Grands Travaux de l'Océan Indien (GTOI)	800,000	31,781
SCPR	32,600	30,300
Ribal Travaux Publics	7,500,000	7,644
Sogetra	146,895	3,492
Gouyer	128,412	20,033
Colas Mayotte	18,548,640	927
Entreprise de Travaux Publics et de Concassage (ETPC)	80,000	200
Colas Digital Solutions	1,575,000	2,559
Colasie	624,270	634
Colas Environnement et Recyclage	160,000	312
Other French subsidiaries and affiliates		292,033
Colas Danmark	2	47,758
Destia	680,000	258,908
Colas Ltd	26,500,000	45,158
Colas Belgium	37,762,601	39,799
Colas Slovakia	2,673,325	14,866
Colas Hrvatska	91,780	24,186
Colas Africa	76,800	-
Colas Canada	50,238,971	285,956
Colas Inc	1,800	142,865
Colas Australia Group PTY Ltd	2,622,285	67,650
Other foreign subsidiaries and affiliates	–	202,945
Total holdings in subsidiaries and affiliates		**2,105,217**
Other investments in French companies		6
Other investments in foreign companies		
Total other long-term investments		**6**
Certificates of deposit		
Mutual funds		
Total short-term investments		**0**
TOTAL HOLDINGS IN SUBSIDIARIES AND AFFILIATES AND SHORT-TERM INVESTMENTS		**2,105,223**

Statutory Auditors' report on the parent company financial statements

Fiscal year ended December 31, 2023

To the Shareholders' Meeting of
COLAS SA
1 Rue du Colonel Pierre Avia
75015 Paris (France)

OPINION

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying parent company financial statements of Colas SA for the fiscal year ended December 31, 2023.

In our opinion, the parent company financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the fiscal year then ended in accordance with French Generally Accepted Accounting Principles (GAAP).

BASIS FOR OUR 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 reasonable basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the parent company financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for in the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2023 to the date of our report.

JUSTIFICATION OF ASSESSMENTS

Pursuant to Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we hereby bring to your attention the following assessments which, in our professional judgment, were of the greatest significance for our audit of the parent company financial statements for the fiscal year.

These matters were addressed in the context of our audit of the parent company financial statements as a whole and in forming our opinion thereon. We do not express an opinion on individual items in these parent company financial statements taken in isolation.

Valuation of holdings in subsidiaries and affiliates
(Notes 2, 3 and 18 to the parent company financial statements)

Holdings in subsidiaries and affiliates with a net amount of €2,106 thousand as of December 31, 2023 are measured at cost and impaired on the basis of their value in use as set out under the sub-heading "Non-current financial assets" in the "Accounting principles and policies" section of the notes to the parent company financial statements.

Our work notably consisted in checking the consistency of the assumptions upon which these estimates are based, particularly for forecast items taken into consideration by the Company (economic conditions, profitability outlook), assessing the extent to which past targets had been achieved and reviewing value in use calculations and impairment losses recognized by the Company. In the course of our assessments, we verified the reasonableness of these estimates.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations

Information given in the management report and in the other documents with respect to the financial position and the financial statements addressed to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the parent company financial statements of the information given in the Board of Directors' management report and in other documents addressed to the shareholders about the financial position and the parent company financial statements.

We hereby attest that the information about payment terms provided in accordance with Article D. 441-6 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the parent company financial statements.

Report on corporate governance

We hereby attest that the information required under Article L. 225-37-4 of the French Commercial Code (Code de commerce) is contained in the Board of Directors' report on corporate governance.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed to you in the management report.

RESPONSIBILITIES OF MANAGEMENT AND OF THOSE CHARGED WITH GOVERNANCE FOR THE PARENT COMPANY FINANCIAL STATEMENTS

It is the responsibility of management to prepare parent company financial statements that give a true and fair presentation in accordance with French Generally Accepted Accounting Principles (GAAP) and to implement such internal control as it determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and applying the going concern basis of accounting unless it is expected to liquidate the Company or cease trading.

The parent company financial statements have been approved for publication by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE PARENT COMPANY FINANCIAL STATEMENTS

It is our responsibility 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 from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not involve guaranteeing the viability of the Company or how it is managed.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. In addition, the Statutory Auditor:

- Identifies and assesses the risks of material misstatement of the parent company financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the parent company financial statements.
- Assesses 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 his audit report, with the caveat that future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, the Statutory Auditor is required to draw attention in the Statutory Auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer.
- Evaluates the overall presentation of the parent company financial statements and assesses whether these statements represent the underlying transactions and events in a manner that gives a true and fair view of them.

Neuilly-sur-Seine and Paris-La Défense, February 21, 2024

The Statutory Auditors
French original signed by

MAZARS **PricewaterhouseCoopers Audit**

Jean-Marc Deslandes Blandine Rolland Edouard Sattler Amélie Jeudi de Grissac

This is a free translation into English of the Statutory Auditors' report on the parent company financial statements of the Company, issued in French. It is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required under European regulations and French law, such as information about the appointment of the Statutory Auditors and the verification of information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Results of the Company for the last five fiscal years

(in thousands of euros) Description	2019	2020	2021	2022	2023
Capital at end of period					
Share capital	48,982	48,982	48,982	48,982	48,982
Number of shares in issue	32,654,499	32,654,499	32,654,499	32,654,499	32,654,499
Number of bonds convertible into shares					
Income statement data					
Sales excluding VAT	321,251	229,882	213,714	231,063	208,011
Profit before taxes, depreciation, amortization and provisions	239,595	270,937	307,163	432,966	378,880
Income tax expense	14,039	10,494	17,961	27,016	17,304
Employee profit-sharing for the year	907	871	470	1,620	437
Profit after taxes, depreciation, amortization and provisions	210,160	210,605	155,526	339,313	208,011
Dividend payout	208,989	94,698	223,683	240,011	269,400
Per share data (€)					
Profit after tax but before depreciation, amortization and provisions	6.91	7.98	8.86	12.43	11.07
Profit after tax depreciation, amortization and provisions	6.44	6.45	4.76	10.39	6.37
Dividend per share	6.40	2.90	6.85	7.35	8.25
Employee data					
Average headcount	485	518	473	477	480
Total payroll	58,778	63,249	51,803	47,668	53,319
Employee benefits paid (social security, etc)	20,071	22,798	26,903	26,853	29,237

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GOVERNANCE

GOVERNANCE

1. Governance bodies

1.1. Executive Management

1.1.1. Chief Executive Officer

PIERRE VANSTOFLEGATTE
CHIEF EXECUTIVE OFFICER

A graduate of École Polytechnique and École des Mines de Paris, Pierre Vanstoflegatte served as Deputy Chief Executive Officer and subsequently Chairman of Bouygues Energies et Services from 2019 until he joined Equans in early 2023.
He significantly improved the performance of Bouygues Energies et Services in recent years thanks to his extensive experience of profit center activities gained both in France and abroad at Spie and Schindler.
In 2022, he provided exemplary leadership of the separation of Bouygues Energies et Services and its absorption into Equans, acquired by Bouygues in October 2022.
He was appointed Executive Vice President of Colas on September 17, 2023. His mission is to continue developing the Company and improving cross-functional working with other Bouygues Group businesses, including in particular Bouygues Construction and Equans.

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Colas	SA	Chief Executive Officer	1 rue du Colonel Pierre Avia – 75015 Paris, France
Colas Australia Group	Ltd	Director	Unit 2 – 3-5 Gibbon Road – 2153 Winston Hills – NSW, Australia
Colas Canada Inc.	Inc.	Director	4984 place de la Savane, Bureau 150– Montreal, Quebec H4P 2M9, Canada
Colas Inc.	Inc.	Director and Chairman of the Board	73 Headquarters Plaza, North Tower, Tenth Floor – Morris-town NJ 07960, United States
Hincol	Ltd	Director	5 H Floor Richardson – Crudas Build Sir JJ Road BY 400008 Mumbai, India
Tipco Asphalt (Tasco)	Ltd	Director	Phayathai, Tipco Tower 118/1 – Rama VI Road Samsen Nai – 10400 Bangkok, Thailand
Isco	Ltd	Director and Chairman of the Board	Buyeo-gun – Chungcheong-nam-do – South Korea
Fondation Colas	Corporate foundation	Chairman of the Board of Directors	1 rue du Colonel Pierre Avia – 75015 Paris, France

1.1.2. Executive management arrangements

Frédéric Gardès served as Chairman of the Board of Directors and Chief Executive Officer from February 16, 2021 to September 17, 2023.

The roles of Chairman of the Board of Directors and Chief Executive Officer have been separated since September 17, 2023. Pascal Grangé is Chairman of the Board of Directors and Pierre Vanstoflegatte is Chief Executive Officer.

1.1.3. Limitations placed by the board of directors on the powers of the chief executive officer

The Chief Executive Officer shall be vested with the broadest powers to act in any event on the Company's behalf. He/she shall exercise those powers within the confines of the Company's corporate purpose and subject to powers expressly granted by law to Shareholders' Meetings or to the Board of Directors (see Article 20.2 of the Company's bylaws).

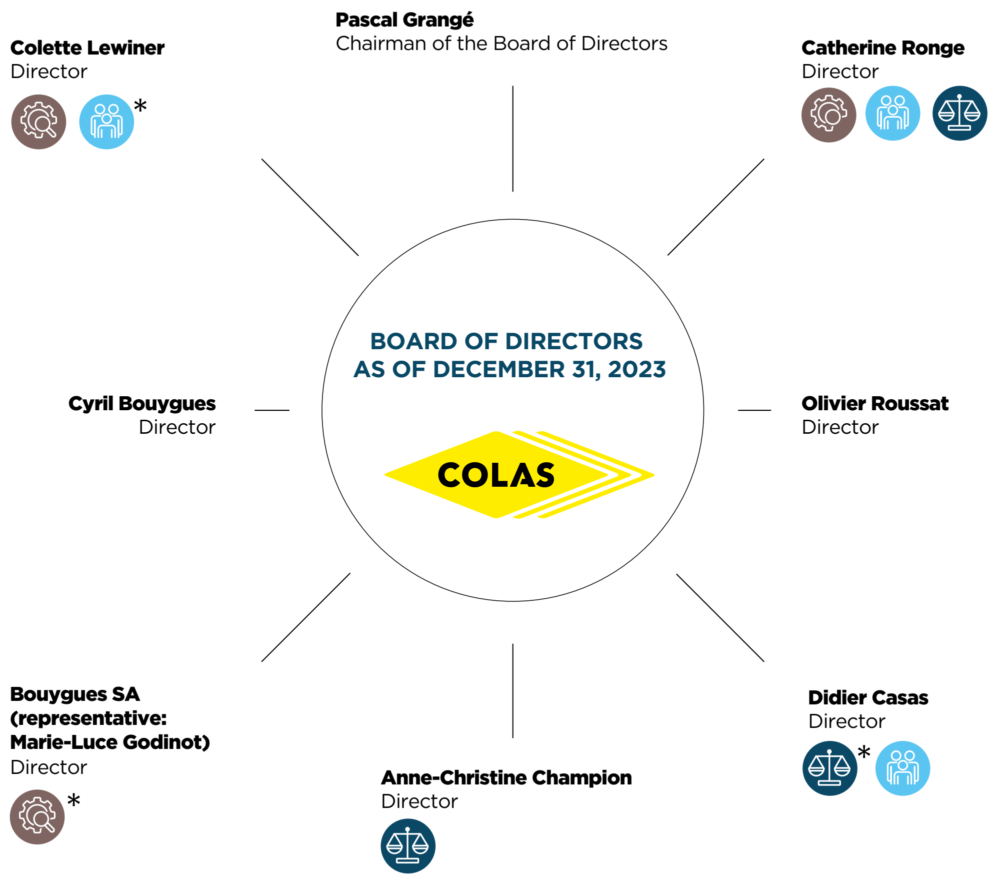
1.1.4. Committees reporting to executive management

The Chief Executive Officer was assisted in the performance of his duties during fiscal year 2023 by two management bodies

- A **Strategy Committee,** which reviews and validates all major decisions throughout the Group, composed at December 31, 2023 of the following members:
  - Pierre Vanstoflegatte, Chief Executive Officer of the Company
  - Valérie Agathon, Group Vice President, Administration, Finance & Strategy
  - Thierry Méline, Executive Vice President, France & DOMOI
  - Francis Grass, Executive Vice President, EMEA/LATAM, Water & Energy Transport, Continental Bitumen
  - Christophe Mansuy, Group Vice President, Human Resources

- An **Executive Management Committee,** which coordinates between the headquarters teams and those in the subsidiaries, in line with the Group's decentralized management model, composed at December 31, 2023 of the following members:
  - the aforementioned members of the Strategy Committee,
  - Benoît Chauvin, Vice President, Business Development & Marketing,
  - Christophe Da Poïan, Vice President, Equipment & Procurement, Keystone,
  - John Harrington, Executive Vice President, United States
  - Hervé Le Joliff, Executive Vice President, Colas Rail,
  - Delphine Lombard, Vice President, Communications & Brand,
  - Alain Moustard, Director of Digital Transformation
  - Emmanuel Rollin, General Counsel and Chief Compliance & Risk Officer,
  - Frédéric Roussel, Executive Vice President, Asia/Oceania, Bitumen,
  - Bernard Sala, Vice President, Sustainable Development, Innovation & Safety,
  - François Vachon, Executive Vice President, Canada.

1.2. Board of Directors



Audit Committee Ethics, CSR and Corporate Sponsorship Committee Selection and Compensation Committee * Committee Chairman

1.2.1. Board members as of december 31, 2023

PASCAL GRANGÉ
CHAIRMAN OF THE BOARD OF DIRECTORS

Pascal Grangé has master's degrees in management and law and a DESS postgraduate degree in finance. He joined the Bouygues Group in 1986 as Head of Finance at Dragages et Travaux Publics.
He moved on to the Bouygues Group's international finance department in 1987 before joining Screg in 1995 as Chief Financial Officer.
From 1997 to 2003, he served as Chief Financial Officer of Stereau, Saur France and then the Saur group.
In 2003, he joined Bouygues Construction as Chief Financial Officer before being promoted to Deputy Chief Executive Officer in 2008.
In March 2015, he was appointed Deputy Chief Executive Officer with responsibility for Strategy and Finance, Information Systems, Concessions and Strategic Reflection on Property Development at Bouygues Construction.
In October 2019, he was appointed Senior Vice-President and Chief Financial Officer of Bouygues Group. In February 2021, he became Deputy Chief Executive Officer of Bouygues and continued to serve as Chief Financial Officer for Bouygues.
He was appointed Chairman of the Board of Directors of Colas on September 17, 2023.

Offices or positions held during fiscal year 2023			
Name of company	**Type**	**Office or position in the company**	**Registered office**
Bouygues	SA	Deputy Chief Executive Officer	32 avenue Hoche – 75008 Paris, France
Bouygues Telecom	SA	Permanent representative of Bouygues - Director	37-39 rue Boissière – 75016 Paris, France
Télévision Française 1 (TF1)	SA	Permanent representative of Bouygues - Director	1 quai du Point du Jour – 92100 Boulogne-Billancourt, France
Colas	SA	Chairman of the Board of Directors and Director	1 rue du Colonel Pierre Avia – 75015 Paris, France
Bouygues Immobilier	SAS	Permanent representative of Bouygues - Member of the Board of Directors	3 boulevard Gallieni – 92130 Issy-les-Moulineaux, France
Bouygues Construction	SA	Permanent representative of Bouygues - Director	1 avenue Eugène Freyssinet – 78280 Guyancourt, France
Uniservice	SA	Chairman and Director	3 Rue du Conseil Général – 1203 Geneva, Switzerland
Equans	SAS	Director	49-51 rue Louis Blanc – 92400 Courbevoie, France
Bouygues Europe	Belgian SA	Director	52 avenue Cortenbergh – 1000 Brussels, Belgium

CYRIL BOUYGUES
DIRECTOR

Cyril Bouygues is a graduate of the Institut Supérieur de Gestion (ISG) and also holds a Master in Public Administration from Harvard.
After beginning his career as a works supervisor at Bouygues Construction, he was head of projects at Bouygues Immobilier before joining Investaq Energie (an SCDM subsidiary) in October 2014 to head up its hydrocarbon exploration and production projects.
In October 2016, he was appointed Head of Strategy and Development at SCDM Energy Limited.
He then became Director of Strategy at Heling in July 2021 and was named as Heling's Chief Executive Officer on February 1, 2022.
He has served as a Director of Colas since February 22, 2022.

Offices or positions held during fiscal year 2023			
Name of company	**Type**	**Office or position in the company**	**Registered office**
Heling	SAS	Chief Executive Officer	21-25 rue de Balzac – 75008 Paris, France
Perinti	LTD	Director	Cannon Place – 78 Cannon Street, London, United Kingdom

BOUYGUES SA
DIRECTOR

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Bouygues Telecom	SA	Director	37-39 rue Boissière – 75116 Paris, France
Bouygues Construction	SA	Director	1 avenue Eugène Freyssinet – 78280 Guyancourt, France
Bouygues Immobilier	SA	Member of the Board of Directors	3 boulevard Gallieni – 92130 Issy-les-Moulineaux, France
Télévision Française 1 (TF1)	SA	Director	1 quai du Point du Jour – 92100 Boulogne-Billancourt, France
Colas	SA	Director	1 rue du Colonel Pierre Avia – 75015 Paris, France
32 Hoche	GIE	Director	32 avenue Hoche – 75008 Paris, France
Gie Registrar	GIE	Member of the Board of Directors	4 rue des Chauffours – 95014 Cergy-Pontoise, France
Intrapreneuriat Bouygues	GIE	Director	24 avenue Hoche – 75008 Paris, France
Organisme gestionnaire du Centre Gustave Eiffel	Nonprofit	Member of the Board of Directors	28 route de Longjumeau – 91385 Chilly-Mazarin, France

MARIE-LUCE GODINOT
PERMANENT REPRESENTATIVE OF BOUYGUES SA, DIRECTOR

A graduate of École Polytechnique (1994) and École Nationale Supérieure des Télécommunications (1996), Marie-Luce Godinot joined Bouygues Construction in 2001. After holding a number of positions at Structis, Bouygues Construction's IT entity, in 2009 she ran the SAP Edifice project aimed at standardizing accounting and management processes across the company's various entities.
In 2015 she became Vice President, Innovation and Sustainable Development. In 2018 she was appointed Executive Vice President of Bouygues Construction with responsibility for Digital Transformation, Innovation and Sustainable Development. Her responsibilities were expanded in 2019 to include information systems.
In September 2022, Marie-Luce Godinot was appointed Senior Vice-President of the Bouygues Group with responsibility for innovation, sustainable development and information systems.
She has served as the permanent representative of Bouygues SA on the Company's Board of Directors since September 17, 2023.

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Bouygues	SA	Senior Vice-President, Innovation, Sustainable Development and Information Systems	32 avenue Hoche – 75008 Paris, France
Bouygues Construction	SA	Director	1 avenue Eugène Freyssinet – 78280 Guyancourt, France
Equans	SAS	Director	49-51 rue Louis Blanc – 92400 Courbevoie, France
Colas	SA	Permanent representative of Bouygues – Company serving as a Director	1 rue du Colonel Pierre Avia – 75015 Paris, France
LocalSolver	SAS	Chairman	Maillot 2000 – 251 Boulevard Pereire – 8-10 Rue du Débarcadère – 75017 Paris, France
UBY SAS	SAS	Chairman	24 avenue Hoche – 75008 Paris, France
Bouygues Asia	KABUSHIKI KAISHA	Director	Tokyo Chiyoda-ku Hirakawachoshowa Building 6F - 1-7-21 Hirakawacho Japan
CentralSupélec	Public research institution	Director	Plateau de Moulon – 3 Rue Joliot-Curie – F-91192 Gif-sur-Yvette Cedex – France
Académie des technologies		Member	Le Ponant – 19 Rue Leblanc – 75015 Paris, France

COLETTE LEWINER
DIRECTOR

A graduate of the École Normale Supérieure and an agrégée in physics, having also earned a PhD in this field, Colette Lewiner began her career as a researcher and professor at Université de Paris VII.
In 1979, she joined EDF, initially working in R&D before taking on responsibility for purchases of fuel oil and uranium. She was named head of the Fuel Procurement Department in 1987.
In 1989, she created EDF's Development and Commercial Strategy Division and became the company's first female Executive Vice President.
In 1992, she was appointed Chairman and Chief Executive Officer of SGN Eurisys, an engineering subsidiary of Cogema.
In 1998, she moved to Capgemini where, after heading the Energy, Utilities and Chemicals segment, she became an advisor to the Chairman of Capgemini on energy and utilities.
From 2010 to 2015, she was Non-Executive Chairman of the French broadcasting company TDF.
From 2008 to 2012, she was a member of the European Union Advisory Group on Energy.
From 2013 to 2017, Colette Lewiner was a member of the Conseil Stratégique de la Recherche (CSR), a committee set up by the French government to offer advice on its research and innovation strategy.
She has served as a Director of Colas since February 28, 2011.

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Colas	SA	Independent Director	1 rue du Colonel Pierre Avia – 75015 Paris, France
Capgemini	SA	Advisor to the Chairman on Energy and Utilities	145 quai du Président Roosevelt 92130 Issy-les-Moulineaux, France
EDF	SA	Independent Director	22-30 avenue de Wagram – 75008 Paris, France
Getlink	SE	Independent Director	3 rue de la Boétie – 75008 Paris, France
Bouygues	SA	Independent Director (until April 28, 2022)	32 avenue Hoche – 75008 Paris, France
CGG	SA	Independent Director	27 avenue Carnot – 91300 Massy, France
Equans	SAS	Director	49-51 rue Louis Blanc – 92400 Courbevoie, France

ANNE-CHRISTINE CHAMPION
DIRECTOR

Anne-Christine Champion is Co-Head of Global Banking and Investor Solutions at Société Générale. She was appointed to Société Générale's Group Executive Committee on May 24, 2023.
Anne-Christine Champion began her career in 2002 at Natixis's financial engineering department, where she worked on advisory and arrangement services in the infrastructure sector. In 2012, she was made global head of consulting and infrastructure and project finance.
In 2016, she was appointed global head of the wholesale banking division's newly established distribution (primary, secondary, direct and synthetic) and financing portfolio management business.
In 2019, she became global head of real assets within the wholesale banking division, with responsibility for origination in the energy, infrastructure, real estate and aviation sectors.
Anne-Christine Champion became Co-Head of Natixis Corporate and Investment Banking in 2020 and served on Natixis's Executive Management Committee.
Anne-Christine Champion is a graduate of École Normale Supérieure de Lyon, the Stanford Executive Program and Collège des Ingénieurs.
She has served as a Director of Colas since April 25, 2023.

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Colas	SA	Director	1 rue du Colonel Pierre Avia – 75015 Paris, France
Société Générale	SA	Co-Head of GBIS	29 boulevard Haussmann – 75009 Paris, France

CATHERINE RONGE
DIRECTOR

A graduate of the École Normale Supérieure, Catherine Ronge is an agrégée in physics and holds a PhD in quantum physics from Institut Européen d'Administration des Affaires (INSEAD).
She began her career in 1984 as a research engineer at the French Atomic Energy Commission (CEA).
In 1988 she joined Air Liquide, where she served first as a Research Center Team Manager and then as a Sales Manager for microelectronics in Europe, before being named Strategic Marketing Manager, reporting to Executive Management, and then Vice President, R&D and Innovation.
From 1999 to 2006 she served as Executive Vice President of Degrémont (equipment and construction for industry in Europe and North America), before serving as Chairman and Chief Executive Officer of Ondeo Industrial Solutions (engineering, equipment, services and operations for industry in Europe, Asia and North America).
In 2006 she founded Weave Air, a consulting firm specialized in sustainable development and innovation, and served as its President until 2020.
Catherine Ronge is currently the chair and CEO of Le Garrec & Cie, a mid-sized family-owned group, and is also the chair of Inneva.
She has also served as a Director of Paprec since 2014, of Eramet since 2016 and of GTT since 2022.
She has served as a Director of Colas since August 27, 2014.

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Colas	SA	Independent Director	1, rue du Colonel Pierre Avia – 75015 Paris
Eramet	SA	Director	10, boulevard de Grenelle – 75015 Paris
GTT	SA	Director	1, route de Versailles – 78470 Saint-Rémy-lès-Chevreuse
Le Garrec et Cie	SA	Chairman and Chief Executive Officer	84B, boulevard Chanzy – 62200 Boulogne sur Mer
Inneva	SAS	Chairman	3 rue de Chaillot – 75116 Paris, France

OLIVIER ROUSSAT
DIRECTOR

Olivier Roussat is a graduate of Institut National des Sciences Appliquées (INSA) Lyon.
He began his career in 1988 at IBM, where he held various positions in data network services, service delivery and pre-sales. He joined Bouygues Telecom in 1995 to set up the network and business process monitoring and control center for the Network Operations division.
He then was appointed to lead this division, and subsequently headed up telecoms and IT service delivery activities.
Olivier Roussat was appointed Chief Network Officer in May 2003 and became a member of Bouygues Telecom's Executive Management Committee.
In January 2007, he was given responsibility for the Performance and Technology business unit. This unit brings together all of Bouygues Telecom's cross-business technical and IT divisions, including Network Operations, Information Systems, Process Engineering, Purchasing, Corporate Services and Real Estate.
Olivier Roussat became Deputy Chief Executive Officer of Bouygues Telecom in February 2007 and was appointed its Chief Executive Officer in November 2007. He served as Chairman and Chief Executive Officer of Bouygues Telecom from May 2013 to November 2018, then as Chairman of the Board of Directors from until February 2021.
He was appointed Deputy Chief Executive Officer of Bouygues in August 2016, and then became Chief Executive Officer in February 2021.
He has been a Director of the Company since February 19, 2019 and was Chairman of the Board of Directors of Colas from October 2019 to February 2021.
Olivier Roussat is a Chevalier de la Légion d'Honneur.

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Colas	SA	Director	1, rue du Colonel Pierre Avia – 75015 Paris, France
Bouygues	SA	Chief Executive Officer	32, avenue Hoche – 75008 Paris, France
Bouygues Telecom	SA	Director	37-39, rue Boissière – 75116 Paris, France
Télévision Française 1 (TF1)	SA	Director	1, quai du Point du Jour – 92100 Boulogne-Billancourt, France
Bouygues Construction	SA	Director	1, avenue Eugène Freyssinet – 78280 Guyancourt, France
Bouygues Immobilier	SAS	Member of the Board of Directors	3, boulevard Gallieni – 92130 Issy-les-Moulineaux, France
Equans	SAS	Director	49-51, rue Louis Blanc – 92400 Courbevoie, France
Capgemini	SE with Board	Director	Place de l'Étoile – 11, rue de Tilsitt – 75017 Paris, France

DIDIER CASAS
DIRECTOR

Didier Casas graduated from IEP (Institute of Political Studies) in Grenoble in 1992, obtained a DEA (diploma of advanced studies) in law in 1993, and studied at the École Nationale d'Administration (ENA) from 1996 to 1998.
He began his career in 1994 as a parliamentary assistant before becoming an auditor at the Conseil d'Etat (France's highest administrative court) in 1998 upon graduating from ENA, later becoming "Master of Requests" (Maître des requêtes).
He was government commissioner on the litigation section (Assemblée du contentieux) and other decision-making bodies at the Conseil d'Etat between 2004 and 2007, before joining the Management Committee of Dexia Crédit Local the following year as General Secretary.
He joined Bouygues Telecom as General Counsel on March 1, 2011, and was promoted to Executive Vice President in 2016. Didier Casas has served as President of the French Telecoms Federation for two terms, from May 2015 to June 2016 and from March 2018 to May 2019.
Didier Casas was part of Emmanuel Macron's campaign team from February to May 2017, after which he returned to his position at Bouygues Telecom. He joined the TF1 group as General Counsel on November 1, 2020.
Didier Casas was appointed Bouygues Group General Counsel on October 10, 2022, becoming a member of Bouygues Group's Executive Management Committee.
He was co-opted as a Director of Colas on November 15, 2022.

Offices or positions held during fiscal year 2023

Name of company	Type	Office or position in the company	Registered office
Bouygues Immobilier	SAS	Member of the Board of Directors	Galeo 3, Boulevard Gallieni – 92130 Issy-Les-Moulineaux, France
Colas	SA	Director	1, rue du Colonel Pierre Avia – 75015 Paris, France
Bouygues Europe	Belgian SA	Director	52, avenue Cortenbergh – 1000 Bruxelles, Belgium
Bouygues Construction	SA	Advisory Board member	1, avenue Eugène Freyssinet – 78280 Guyancourt, France
Equans	SAS	Advisory Board member	49-51, rue Louis Blanc – 92400 Courbevoie, France
Bouygues Telecom	SA	Advisory Board member	37-39, rue Boissière – 75116 Paris, France
Télévision Française 1 (TF1)	SA	Advisory Board member	1, quai du Point du Jour – 92100 Boulogne-Billancourt, France
Financière des Chênes Verts	SA	Chairman and Chief Executive Officer and Director	32 avenue Hoche – 75008 Paris, France
Financière du Rond Point	SA	Chairman and Chief Executive Officer and Director	32 avenue Hoche – 75008 Paris, France
Sogeby	SA	Chairman and Chief Executive Officer and Director	32 avenue Hoche – 75008 Paris, France
Société Française de Participation et de Gestion	SA	Director	32 avenue Hoche – 75008 Paris, France
Bouygues Relais	SNC	Co-Managing Partner	32 avenue Hoche – 75008 Paris, France

1.2.2. Details of the composition of the Board of Directors and its committees as of december 31, 2023

			Board committees		
Name of director	First appointed	Term of office ends	Audit committee	Selection and compensation committee	Ethics, CSR and corporate sponsorship committee
Bouygues SA	April 16, 1986	2026 SM	X (Chairman)		
represented by Marie-Luce Godinot	September 17, 2023				
Cyril Bouygues	February 22, 2022	2026 SM			
Pascal Grangé	September 17, 2023 (co-option) (Permanent representative of Bouygues from February 18, 2020 to September 17, 2023)	2026 SM			
Colette Lewiner	February 28, 2011	2026 SM	X	X (Chairman)	
Anne-Christine Champion	April 25, 2023	2026 SM			X
Catherine Ronge	August 27, 2014	2024 SM (renewed until 2027 by the Shareholders' Meeting of April 23, 2024)	X	X	X
Olivier Roussat	February 19, 2019	2026 SM			
Didier Casas	November 15, 2022	2024 SM (renewed until 2027 by the Shareholders' Meeting of April 23, 2024)		X	X (Chairman)

1.2.3. Changes in the composition of the Board in 2023

The table below summarizes all the changes having occurred in the composition of the Board and its committees in 2023.

	Departure	Appointment	Renewal of term of office
Chairman and Chief Executive Officer	Frédéric Gardès Term of office ends: September 16, 2023		
Chief Executive Officer		Pierre Vanstoflegatte Appointment: September 17, 2023 Term of office ends: 2026 SM	
Chairman of the Board of Directors		Pascal Grangé Appointment: September 17, 2023 Term of office ends: 2026 SM	
Directors			Frédéric Gardès Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
			Cyril Bouygues Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
			Bouygues SA Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
			Olivier Roussat Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
			Colette Lewiner Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
	Stéphanie Rivoal Term of office ends: SM of April 25, 2023		
		Anne-Christine Champion Appointment: SM of April 25, 2023 Term of office ends: 2026 SM	
	Frédéric Gardès Term of office ends: September 16, 2023		
		Pascal Grangé Appointment: Board meeting of September 17, 2023 Term of office ends: 2026 SM	
		Marie-Luce Godinot (permanent representative of Bouygues SA) Appointment: Board meeting of September 17, 2023	
Advisory Board member			
Audit Committee	Stéphanie Rivoal Term of office ends: SM of April 25, 2023		
		Catherine Ronge Appointment: April 25, 2023 Term of office ends: 2024 SM	
			Bouygues SA Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
			Colette Lewiner Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
Selection and Compensation Committee			Colette Lewiner Renewal of term of office: SM of April 25, 2023 Term of office ends: 2026 SM
Ethics, CSR and Corporate Sponsorship Committee	Colette Lewiner Term of office ends: SM of April 25, 2023		
		Anne-Christine Champion Appointment: SM of April 25, 2023 Term of office ends: 2026 SM	

2. SHARE CAPITAL

2.1. Changes in the share capital in 2023

As of January 1, 2023, the Company had issued share capital of €48,981,748.50, consisting of 32,654,499 shares with a par value of €1.50 each.

As of December 31, 2023, the Company's issued share capital remained unchanged at €48,981,748.50, consisting of 32,654,499 shares with a par value of €1.50 each.

Share capital as of December 31, 2022	48,981,748.50
Number of shares in issue as of December 31, 2022	32,654,499
Total number of theoretical voting rights as of December 31, 2022(1)	64,490,863
Number of voting rights exercisable as of December 31, 2022	64,477,916
New shares created between January 1 and December 31, 2023	0
Share capital as of December 31, 2023	48,981,748.50
Number of shares in issue as of December 31, 2023	32,654,499
Total number of theoretical voting rights as of December 31, 2023(1)	64,266,550
Number of voting rights exercisable as of December 31, 2023	64,253,311

(1) Including treasury shares.

2.2. Share ownership

On September 20, 2023, following a meeting of the Board of Directors held on September 17, 2023, Bouygues SA filed a public buyout offer (offre publique de retrait, OPR) with the AMF (France's financial markets authority) followed by a squeeze-out (retrait obligatoire) targeting all Colas shares not held by Bouygues SA with the exception of treasury shares held by the Company, at a price of €175 per share ("the Offer").

This price of €175 per Colas share, equating to a total amount of approximately €180 million and payable exclusively in cash, represents the following premiums:

– 54.2% above Colas' closing share price on September 15, 2023

– 52.2%, 50.1% and 50.4% above the volume-weighted average price of Colas shares

– over the 60, 120 and 240 trading days, respectively, preceding the date on which the Offer was announced

This transaction formed part of an exercise to simplify the capital structure of Colas and the Bouygues Group.

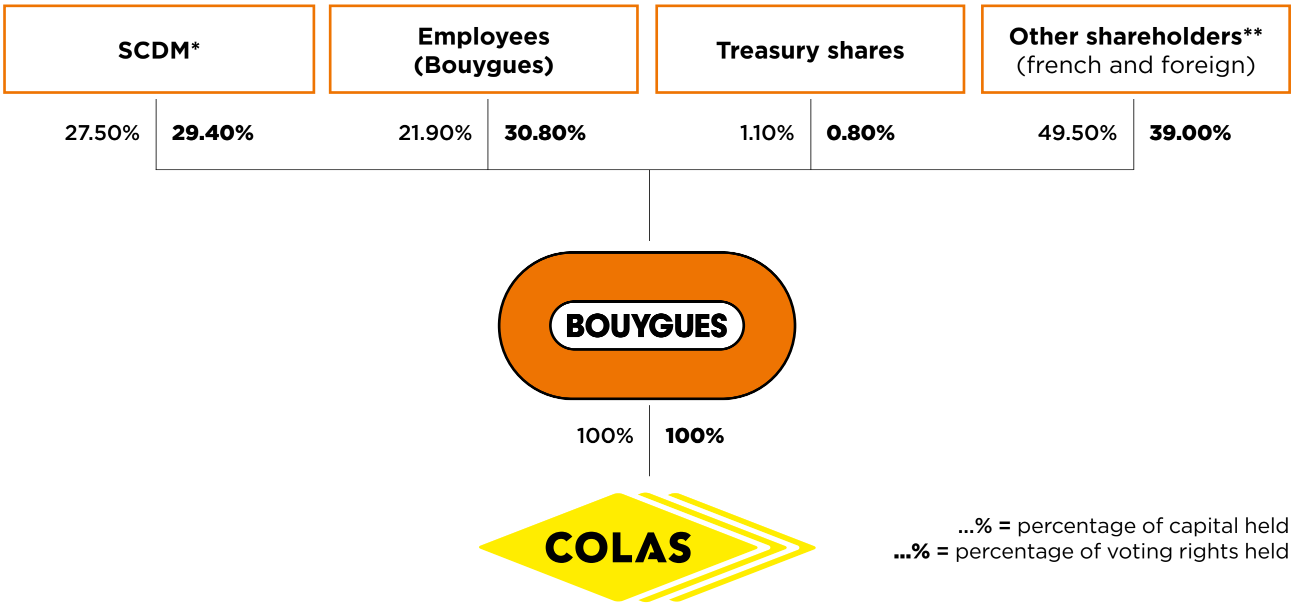
The AMF published its compliance decision in relation to the planned Offer on November 20, 2023.

The public buyout offer ran from November 22 to December 5, 2023, during which time Bouygues purchased 595,828 shares.

The squeeze-out took place on December 22, 2023 and enabled Bouygues to purchase the remaining 433,281 shares.

Following the squeeze-out, the Bouygues Group held 100% of Colas shares (excluding treasury shares) and Colas SA was delisted.

As of December 31, 2023, the Company's shareholding structure was as follows:



** SCDM is a French Société par Actions Simplifiée (SAS) controlled by Martin Bouygues and Olivier Bouygues.*
*** No "other shareholder" directly or indirectly holds more than 5% of Bouygues SA's share capital.*

3. DUTY OF VIGILANCE

Bouygues, the company that controls the Company within the meaning of Article L. 233-3 of the French Commercial Code, has implemented a vigilance plan covering its activities and those of all the subsidiaries and companies that it controls as stated in its registration document.

Accordingly, the Company is deemed to satisfy the requirements provided for in Article L. 225-102-4 of the French Commercial Code under paragraph 2 of said Article.

COLAS

WE OPEN THE WAY

Discover the 2023 highlights in pictures

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